

Authority

Regularly employed administrative, professional and classified employees shall be protected against loss of employment for time served as a witness or on jury duty. [1]

Guidelines

When an employee is notified of summons as a witness or of jury duty, s/he shall inform the immediate supervisor.

Employees called for witness or jury duty shall normally be permitted to serve and will not be penalized in any way. They shall receive normal pay for the period of jury duty, but any compensation received from jury duty in excess of actual expenses shall be credited against such pay.

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Last Modified by Elizabeth Flood on July 9, 2015

* Employees called as a witness for school district matters shall be permitted to serve and shall not suffer loss of compensation. Employees required to participate as a party or witness in non-school-district matters shall be required to request paid time off, which shall not be unreasonably withheld.



Book	Policy Manual
Section	300 Employees
Title	Drug and Substance Abuse
Number	351
Status	From PSBA
Legal	<p>1. <u>35 P.S. 780-101 et seq</u></p> <p>2. <u>41 U.S.C. 8101</u></p> <p>3. <u>24 P.S. 111</u></p> <p>4. <u>41 U.S.C. 8103</u></p> <p>5. <u>24 P.S. 527</u></p> <p>6. <u>41 U.S.C. 8104</u></p> <p>7. <u>24 P.S. 1302-1A</u></p> <p>8. <u>24 P.S. 1301A</u></p> <p>9. <u>72 PA Code 10.2</u></p> <p>10. <u>22 PA Code 10.21</u></p> <p>11. <u>35 P.S. 780-102</u></p> <p>12. Pol. 805.1</p> <p>41 U.S.C. 8101 et seq</p> <p>Pol. 317</p>

Purpose

The Board recognizes that the misuse of drugs by administrative, professional and classified employees is a serious problem with legal, physical and social implications for the whole school community and is concerned about the problems that may be caused by drug use by district employees, especially as the use relates to an employee's safety, efficiency and productivity.

The primary purpose and justification for any district action will be for the protection of the health, safety and welfare of students, staff and school property.

Definitions

Drugs - shall be defined as those outlined in the Controlled Substance, Drug, Device and Cosmetic Act. [1]

Conviction - a finding of guilt, including a plea of nolo contendere, an imposition of sentence, or both by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes. [2]

Criminal Drug Statute - a federal or state criminal statute involving the manufacture, distribution, dispensation, use or possession of a controlled substance. [2]

Drug-free Workplace - the site for the performance of work at which employees are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance. [2]

Authority

The Board requires that each administrative, professional and classified employee be given notification that, as a condition of employment, the employee will abide by the terms of this policy and notify the district of any criminal drug statute conviction for a violation occurring in the workplace immediately, but no later than seventy-two (72) hours, after such conviction.

[3][4] *felony level* *arrest or* *arrest or*
Any employee convicted of delivery of a controlled substance or convicted of possession of a controlled substance with the intent to deliver shall be terminated from his/her employment with the district. [5][11]

Delegation of Responsibility

The Superintendent or designee shall distribute a copy of this policy to all employees.

A statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the employee's workplace shall be provided by the Superintendent or designee and shall specify the actions that will be taken against the employee for violation of this policy, up to and including termination and referral for prosecution. [4][6]

Within ten (10) days after receiving notice of the conviction of a district employee, the district shall notify any federal agency or department that is the grantor of funds to the district. [4]

The district shall take appropriate personnel action within thirty (30) days of receiving notice against any convicted employee, up to and including termination, or require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency. [4][6]

In establishing a drug-free awareness program, the Superintendent or designee shall inform employees about: [4]

1. Dangers of drug abuse in the workplace.
2. Board's policy of maintaining a drug-free workplace.
3. Availability of drug counseling, drug rehabilitation, and employee assistance programs.
4. Penalties that may be imposed for drug abuse violations occurring in the workplace.

The district shall make a good faith effort to continue to maintain a drug-free workplace through implementation of this policy. [4]

Guidelines

The Superintendent or designee shall immediately report incidents involving the possession, use or sale of a controlled substance or drug paraphernalia as defined in the Pennsylvania Controlled Substance, Drug, Device and Cosmetic Act by any employee while on school property, at any school-sponsored activity or on a conveyance providing transportation to or from a school or school-sponsored activity to the local police department that has jurisdiction over the school's property, in accordance with state law and regulations, the procedures set forth in the memorandum of understanding with local law enforcement and Board policies. [7][8][9][10][11][12]

In accordance with state law, the Superintendent shall annually, by July 31, report all incidents of possession, use or sale of controlled substances or drug paraphernalia to the Office for Safe Schools on the required form. [8][12]

Book	Policy Manual
Section	600 Finances
Title	Fiscal Objectives
Number	601
Status	From PSBA
Legal	1. 24 P.S. 439 2. 24 P.S. 601 3. 24 P.S. 602 4. 24 P.S. 609 5. 24 P.S. 610 6. 24 P.S. 611 7. 24 P.S. 614 8. 24 P.S. 622 9. 24 P.S. 682 10. 24 P.S. 690 11. 24 P.S. 751 12. 24 P.S. 802.1 13. 24 P.S. 1332 14. 51 P.S. 6926.311 15. 24 P.S. 219 13 P.S. 6226.101 et seq Pol 602 Pol 603 Pol 604 Pol 605 Pol 610 Pol 611 Pol 612 Pol 614 Pol 616 Pol 619

Purpose

The Board recognizes its responsibility to district taxpayers to ensure that public monies expended by the school district are utilized for delivery of the educational program in a manner that mandates full value to the taxpayers, and that adequate procedures and records are established to ensure that end.

Authority

The Board has the authority and responsibility to prepare and adopt the budget, approve bids, levy taxes, approve each expenditure of the district, and incur debt in accordance with law. (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)(13)(14)

The district shall submit an annual financial report to the Secretary of Education by October 31 of each year, in accordance with law and the reporting standards established by the Pennsylvania Department of Education. (15)

Delegation of Responsibility

To meet the goals of this policy, the Board directs the Business Manager to establish sound accounting procedures based upon recommendations of the district auditor and state and federal government, institute effective business practices, and recommend appropriate equipment and technology when necessary.

The Business Manager shall review monthly the financial operations, report to the Board on effectiveness and recommended improvements, and prepare procedures for sound district and school fiscal operations.

Book	Policy Manual
Section	GDQ Finances
Title	Budget Planning
Number	602
Status	From PSGA
Legal	1. 34.05.601
	2. 25.05.602

Authority

The budget shall be designed to reflect the Board's goals and objectives concerning the education of district students. Therefore, the budget shall be organized and planned to ensure adequate understanding of the financial needs associated with program support and development. The financial requirements of district programs shall be reviewed on a continual basis.[1][2]

Delegation of Responsibility

The planning of the budget shall be the duty of the Business Manager. The Business Manager shall collaborate with the Superintendent and the administrative staff regarding the budget.

To meet the objectives of this policy, the Board directs the Business Manager to:

1. Prepare an estimated annual cost for implementation of the district's educational program.
2. Establish a projected budget of expenditures and income for the current year and ensuing year.
3. Prepare an annual estimate of anticipated school enrollments.
4. Maintain a plan of anticipated revenues based on changes in local, state and federal funding sources.
5. Prepare a long-range plan for annual maintenance and replacement of facilities.
6. Prepare a plan for current and future technology needs.
7. Maintain an inventory and replacement schedule of all district equipment.
8. Report to the Board any serious financial implications arising from the budget plan.

Last Modified by Elizabeth Flood on November 9, 2015

Book	Policy Manual
Section	600 Finances
Title	Budget Preparation
Number	603
Status	From PSBA
Legal	1. 24 P.S. 687 2. 24 P.S. 681 3. 53 P.S. 6926.313 4. Pol. 604 5. 53 P.S. 6926.302 6. 53 P.S. 6926.333 43 P.S. 6926.301 et seq.

Purpose

The Board considers preparation of an annual budget to be one of its most important responsibilities because the budget is the financial reflection of the district's educational plan. The budget shall be designed to support the educational plan in a comprehensive and efficient manner, to maintain district facilities, and to honor district obligations.

The budget shall be reviewed by each Board member during its preparation, and once adopted, shall be supported by the Board.

Authority

The Board recognizes its obligation to the taxpayers to approve only those expenses reasonably required to provide an educational program suitable to the needs and goals of this district and its students. [1]

Delegation of Responsibility

In order to ensure adequate time for preparation and review of the proposed/preliminary budget, the Board directs the Superintendent to present to the Board all available information associated with the budget at least ninety (90) days prior to the primary election. [2][3][3][4]

In preparing the budget, the responsible administrator shall set general priorities for expenditures for:

1. Staff necessary to maintain current programs.
2. Technology, equipment, facilities and supplies necessary to maintain current programs.
3. Additional staff necessary to improve or expand current programs.
4. New technology, equipment and supplies necessary to improve or expand current programs.

As a component of budget preparation, the Superintendent and Business Manager shall notify the Board of the appropriate Index to be used in limiting tax increases for the budget year. [5]

When presented for Board review, the proposed/preliminary budget shall contain:

1. Estimated revenue and expenditures in each financial category for the previous fiscal year.
2. Estimated revenue and expenditures in each financial category for the upcoming fiscal year.
3. Student enrollment for the upcoming school year.
4. Amount of surplus anticipated at the end of the current fiscal year.
5. Explanation of each item of expense proposed, upon request.
6. Listing of all exceptions for which the district may be eligible. [6]
7. Relation of the estimated tax increase to the Index limitation for the district.
8. Programs, services or expenditures to be eliminated if referendum is rejected.
9. Increase, if any, of tax rate in relation to the Index.

Book	Policy Manual
Section	600 Finances
Title	Budget Adoption
Number	604
Status	Form PSBA
Legal	1,24PS_687
	2,53PS_6326,311
	2,53PS_6926,312
	5,24PS_600
	53PS_6926,301 et seq

Purpose

It is the philosophy of the Board that the annual budget represents the position of the Board, and all reasonable means shall be employed to present and explain the preliminary and final budgets to district residents. Board members and district administrators shall be knowledgeable about, and understand the need for, proposed expenditures.

Definition

Index - the tax rate limit that restricts the school district from increasing the rate of any tax for the support of district schools without seeking voter approval through referendum or an exception granted by the Pennsylvania Department of Education (PDE) or the Court of Common Pleas with jurisdiction.

Delegation of Responsibility

The Board directs the Superintendent and Business Manager to prepare both the preliminary and final budgets on the required forms; comply with advertising requirements; and make the budget documents and supporting information available in printed form for public inspection in the district administrative offices, in accordance with the timelines specified in law and Board policy. 11/2/13

Authority

The Board shall annually, but not later than the first business meeting of January, decide the budget option to be used for the following fiscal year. The Board shall approve either the Accelerated Budget Process Option or the Board Resolution Option.

Board Resolution Option

The Board shall adopt a resolution that it will not raise the rate of any tax for the following fiscal year by more than the Index. Such resolution shall be adopted no later than 110 days prior to the primary election and must contain the following unconditional certifications that: 2

1. The Board will not increase any tax at a rate that exceeds the school district Index.
2. The Board will comply with Section 687 of the School Code for budget adoption.
3. The increase of any tax at a rate less than or equal to the Index will be sufficient to balance its final budget.

At least thirty (30) days prior to adoption of the final budget, the Board shall prepare and present a proposed budget on the required form. The proposed budget shall be made available in print for public inspection and duplication at the district administrative offices at least twenty (20) days prior to adoption of the budget. The Board shall give public notice of its intent to adopt at least ten (10) days prior to adoption of the proposed budget. 1

Final Budget

The Board shall annually adopt the final budget by a majority vote of all members of the Board by June 30. 5/11

Book	Policy Manual
Section	600 Finances
Title	Tax Levy
Number	605
Status	From PSBA
Legal	1. 24 P.S. 602 2. 24 P.S. 603 3. 24 P.S. 672 4. 24 P.S. 673 5. 24 P.S. 674 6. 24 P.S. 676 7. 24 P.S. 679 8. 24 P.S. 680 9. 51 P.S. 9974.101 et seq 10. 53 P.S. 6726.301 et seq 11. 24 P.S. 672.1 12. 24 P.S. 672.2

Authority

The Board shall annually determine and establish school district taxes that are authorized by law, within the limitations imposed by applicable laws. The Board shall provide the means to levy and collect such taxes {1}{2}{3}{4}{5}{6}{7}{8}{9}{10}

Last Modified by Elizabeth Flood on November 9, 2015

Book	Policy Manual
Section	600 Finances
Title	Tax Collection
Number	606
Status	from PSBA
Legal	<p>1 24 P.S. 633</p> <p>2 24 P.S. 634</p> <p>3 32 P.S. 6926.212</p> <p>4 53 P.S. 6926.222</p> <p>5 24 P.S. 639</p> <p>6 24 P.S. 633</p> <p>53 P.S. 6924.101 et seq</p> <p>53 P.S. 6925.101 et seq</p> <p>Pol 605</p>

Authority

Real estate and per capita taxes provided for in the School Code shall be collected by the elected tax collector, who shall be properly bonded during the term of office. [1][2]

All other taxes shall be collected by the elected and properly bonded tax collector or school district tax office. [3][4]

Delegation of Responsibility

All taxes shall be collected and remitted to the district Treasurer with a report detailing the sources of tax revenues. [5]

The Board Secretary shall be responsible to ascertain that a tax collector is properly bonded and shall submit information on estimated collection required to set proper bond. [6][2]

All monies received from the tax collectors shall be deposited on the day of receipt or as soon as possible, and all receipts shall be supported by documentary evidence.

Preparation of tax bills shall be conducted by a firm selected by the Board or the tax collector.

Last Modified by Elizabeth Flood on November 9, 2015

Book	Policy Manual
Section	600 Finances
Title	Tuition Income
Number	607
Status	From PSBA
Legal	1. 24 P.S. 1316
	2. Pol. 202
	3. 24 P.S. 2561
	24 P.S. 1301
	24 P.S. 1306
	24 P.S. 1307
	24 P.S. 1308
	24 P.S. 1309
	24 P.S. 1310
	24 P.S. 1313
	24 P.S. 2577

Authority

When the district receives students who are residents of another school district, it shall assess tuition charges in accordance with the School Code. Tuition shall be assessed for those students whose attendance has been approved by the Board, in accordance with policy [1][2].

Delegation of Responsibility

It shall be the responsibility of the Business Manager to invoice tuition for approved students.

Guidelines

Tuition rates shall be determined annually for secondary grades, elementary grades, and special education classes.[3]

Tuition billings will be made monthly in advance of the attendance period.

When payment is overdue, services will be terminated.

When a student attends more than the designated period, the sender will be charged for a full month of tuition.

Last Modified by Elizabeth Flood on November 9, 2015

Book	Policy Manual
Section	600 Finances
Title	Bank Accounts
Number	600
Status	From PSBA
Legal	1. 24 P.S. 508
	2. 24 P.S. 621
	3. 24 P.S. 440
	4. 24 P.S. 624
	5. 24 P.S. 622
	6. 24 P.S. 623
	24 P.S. 625

Authority

The Board, by a majority vote of the full Board, shall designate one or more banks or bank and trust companies as depositories for the safeguarding of school funds. [1][2]

Each depository shall be required to report monthly to the Treasurer or Board on the status of funds, in the manner required by law. [3][4]

Each designated depository shall furnish proper security for deposits in the amount designated by the Board and in accordance with law. [2][5][6]

Guidelines

Each designated depository shall be advised not to cash checks payable to the school district but to deposit said checks to the district accounts.

The Board shall, as needed, obtain quotations for specified banking services prior to designating its depositories.

Last Modified by Elizabeth Flood on November 9, 2015

Book	Policy Manual
Section	600 Finances
Title	Purchases Subject to Bid/Quotation
Number	610
Status	From PSBA
Legal	1. 24 P.S. 751
	2. 24 P.S. 602.1
	3. 24 P.S. 120
	4. 2 Pa. C.S.A. 4601 et seq.

Authority

It is the policy of the Board to obtain competitive bids and price quotations for products and services where such bids or quotations are required by law or may result in monetary savings to the school district. [1][2]

Guidelines

The amounts contained in this policy regarding competitive bid and price quotation requirements are subject to adjustments based on the Consumer Price Index. [3][1][2]

Competitive Bids

When seeking competitive bids, the Board shall advertise once a week for three (3) weeks in not less than two (2) newspapers of general circulation [1][2]

Bid specifications shall provide for alternates in all circumstances possible.

Bids shall be opened publicly by the Board Secretary before one (1) or more witnesses at a previously designated time and place.

After due public notice advertising for competitive bids, the Board shall be authorized to:

1. Purchase furniture, equipment, school supplies and appliances costing a base amount of \$19,400 or more, unless exempt by law. [2]
2. Contract for construction, reconstruction, repairs, maintenance or work on any school building or property having a total cost or value of more than \$19,400, unless exempt by law. [1]

The Board prohibits the practice of splitting purchases to avoid advertising and bidding requirements. [1][2]

With kind, quality and material being equal, the bid of the lowest responsible bidder meeting bid specifications shall be accepted upon resolution of the Board, unless the Board chooses to reject all bids. [1][2]

The Board recognizes that emergencies may occur when imminent danger exists to persons or property or continuance of existing school classes is threatened, and time for bidding cannot be provided because of the need for immediate action. Bidding decisions in the event of such emergencies shall be made in accordance with existing legal requirements. [1]

Price Quotations

Unless exempt by law, at least three (3) written or telephonic price quotations shall be requested by the Board for: [1][2]

1. Furniture, equipment, school supplies and appliances costing a base amount of more than \$10,500 but less than \$19,400. [2]
2. All contracts for construction, reconstruction, repairs, maintenance or work on any school building or property, having a total cost or value of more than \$10,500 but less than \$19,400. [1]

If it is not possible to obtain three (3) quotations, a memorandum must be kept on file showing that fewer than three (3) qualified vendors exist in the market area. The written price quotations, written records of telephonic price quotations and memoranda shall be kept on file for three (3) years.

Work Performed by District Maintenance Personnel

The Board may authorize district maintenance personnel to perform construction, reconstruction, repairs or work having a total cost or value of less than \$10,500. [1]

Delegation of Responsibility

The Board may grant the Board Secretary or Purchasing Agent the authority to purchase supplies and award contracts in the amount and manner designated by applicable law. [1][2]

The Board Secretary shall be responsible for the preparation of bid specifications.

The Board Secretary shall combine like items of supply and material when feasible and permissible under law. [1][2]

The Board authorizes the Board Secretary to advertise for bids in accordance with legal requirements, without prior Board approval; however, the Board shall be informed of such action at the next Board meeting. Records shall be maintained in sufficient detail to document a reasonable number of qualified vendors were invited to bid.

Book	Policy Manual
Section	600 Finances
Title	Federal Fiscal Compliance
Number	626
Status	
Legal	1. 2 CFR Part 200 2. Pol. 827 3. Pol. 317 4. 2 CFR 200.430 5. Pol. 626.1 6. Pol. 304 7. Pol. 319 8. Pol. 336 9. Pol. 337 10. Pol. 624 11. Pol. 813 12. 2 CFR 200.333-200.337 13. Pol. 800 14. 34 CER 75.730-75.732 15. 34 CER 76.730-76.733 16. 2 CFR 200.336 17. 2 CFR 200.333 18. Pol. 113.4 19. Pol. 216 20. Pol. 324 21. 2 CFR 200.330-200.331 22. 2 CFR 200.338 23. 2 CFR 200.339
Adopted	July 20, 2016

Authority

The Board shall ensure federal funds received by the district are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance.[1]

The Board shall review and approve all applications for federal funds submitted by the district.

Delegation of Responsibility

The Board designates the building principal as the district contact for all federal programs and funding.

The Superintendent or designee, in collaboration with the Federal Programs Coordinator and Business Manager, shall establish and maintain a sound financial management system to include internal controls and federal grant management standards covering the receipt of both direct and state-administered federal grants, and to track costs and expenditures of funds associated with grant awards.[1]

The Superintendent, to assist in the proper administration of federal funds and implementation of this policy, may approve additional procedures as attachments to this policy.

Guidelines

The district's financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met.

Financial management standards and procedures shall assure that the following responsibilities are fulfilled:

1. Identification – the district must identify, in its accounts, all federal awards received and expended, and the federal programs under which they were received.
2. Financial Reporting – Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Education Department General Administrative Regulations (EDGAR).
3. Accounting Records – the district must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
4. Internal Controls – Effective control and accountability must be maintained for all funds, real and personal property and other assets. The district must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
5. Budget Control – Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.
6. Cash Management – The district shall maintain written procedures to implement the cash management requirements found in EDGAR.
7. Allowability of Costs – The district shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

Standards of Conduct

The district shall maintain standards of conduct covering conflicts of interest and the actions of employees and school officials engaged in the selection, award and administration of contracts.[2]

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Board policies, administrative regulations, rules and procedures.[3]

Employees - Time and Effort Reporting

All district employees paid with federal funds shall document the time they expend in work performed in support of each federal program, in accordance with law. Time and effort reporting requirements do not apply to contracted individuals.[4]

District employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient.[5]

The district shall establish and maintain employee policies on hiring, benefits and leave and outside activities, as approved by the Board.[6][7][8][9][10][11]

Record Keeping

The district shall develop and maintain a Records Management Plan and related Board policy and administrative regulations for the retention, retrieval and disposition of manual and electronic records, including emails.[12][13]

The district shall ensure the proper maintenance of federal fiscal records documenting:[13][14][15]

1. Amount of federal funds.
2. How funds are used.
- 3 Total cost of each project.
- 4 Share of total cost of each project provided from other sources.
- 5 Other records to facilitate an effective audit.
- 6 Other records to show compliance with federal program requirements.
- 7 Significant project experiences and results.

All records must be retrievable and available for programmatic or financial audit.

The district shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other district records which are pertinent to the federal award. The district shall also permit timely and reasonable access to the district's personnel for the purpose of interview and discussion related to such documents.[16]

Records shall be retained for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs.[17]

If any litigation, claim or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims or audits have been resolved and final action taken.[17]

As part of the Records Management Plan, the district shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal.[13]

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.[13]

The district shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, Board policy and administrative regulations.[18][19][20]

Subrecipient Monitoring

In the event that the district awards subgrants, the district shall establish procedures to:[21]

1. Assess the risk of noncompliance.
- 2 Monitor grant subrecipients to ensure compliance with federal, state, and local laws and Board policy and procedures.
3. Ensure the district's record retention schedule addresses document retention on assessment and monitoring.[13]

Compliance Violations

Employees and contractors involved in federally funded programs and subrecipients shall be made aware that failure to comply with federal law, regulations or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.[22][23]

626-Attach-FederalPermitAwardment.pdf (10 KB)

626-Attach-AllowableIndirectCosts.pdf (19 KB)

626-Attach-Conflict of Interest.pdf (10 KB)

626-Attach-CashManagement.pdf (14 KB)

626-Attach-Procurement.pdf (75 KB)

Last Modified by Michele Bloch on October 6, 2016

Highlands School District – Allowability of Costs Policy for District Operations and Federal Programs

In addition to this policy that primarily addresses federal programs and UGG procedures, the District shall also comply with all other school District policies, PA school code and applicable laws that may or may not be stricter than this policy.

Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state. When determining how the District will spend its grant funds, the Superintendent and/or Federal Programs Coordinator designated will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 C.F.R. Part 3474 and 2 C.F.R. Part 200, Subpart E, which are provided in the bulleted list below. The Superintendent or designate and the Federal Programs Coordinator must consider these factors when making an allowability determination.

- **Be Necessary and Reasonable for the performance of the federal award.** District staff must consider these elements when determining the reasonableness of a cost. A cost is “reasonable” if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.
 - Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award.
 - The restraints or requirements imposed by factors, such as: sound business practices; arm’s-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.
 - Market prices for comparable goods or services for the geographic area.
 - Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.
 - Whether the district significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award’s cost. 2 C.F.R. § 200.404

While 2 C.F.R. § 200.404 does not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it. For example, the District may deem a language skills software program necessary for a limited English proficiency program.

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

- Whether the cost is needed for the proper and efficient performance of the grant program.
 - Whether the cost is identified in the approved budget or application.
 - Whether there is an educational benefit associated with the cost.
 - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
 - Whether the cost addresses program goals and objectives and is based on program data.
-
- **Allocable to the federal award.** A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. § 200.405. For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
 - **Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the school entity.**
 - **Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.**
 - **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.
 - **Adequately documented.** All expenditures must be properly documented.
 - **Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.**
 - **Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.** Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
 - **Be the net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. § 200.406.

Part 200's cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state and District level requirements and policies regarding expenditures to be followed as well. For example, state and/or District policies relating to travel or equipment may be narrower than the federal rules, and the stricter State and/or District policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under State law.

Selected Items of Cost

Subpart E of Part 200 sets forth principles to be applied in establishing the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost), at 2 C.F.R. § 200.420-200.475. These specific cost items are listed in the chart below along with the citation to the section of Subpart E addressing the allowability of that item. These principles are in addition to the other general allowability standards, and apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Meeting the specific criteria for a listed item does not by itself mean the cost is allowable, as it may be unallowable under other standards or for other reasons, such as restrictions contained in the terms and conditions of a particular grant or restrictions established by the state or in Board policy. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

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

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

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

Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454

Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Helpful Questions for Determining Whether Costs are Allowable

In addition to the cost principles and standards described above, the Superintendent or designated Federal Programs Coordinator can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program specific fiscal rules? For example, the District may be required to use federal funds only to supplement the amount of funds available from non-federal (and possibly other federal) sources, or only as a match for funds from non-federal sources.
- Is the proposed cost consistent with EDGAR?
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?
- Is the proposed cost consistent with the underlying needs of the program? For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for Limited English Proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students.
- Will the cost be targeted at addressing specific areas of weakness that are the focus of the program, as indicated by available data?

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

Any questions related to specific costs should be forwarded to the Superintendent and/or designated Federal Programs Coordinator who shall consult with the school solicitor for clarification as appropriate.

Highlands School District – Cash Management Policy for District Operations and Federal Programs

In addition to this policy that primarily addresses federal programs and UGG procedures, the District shall also comply with all other school District policies, PA school code and applicable laws that may or may not be stricter than this policy.

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the District receives payment from the Department of Education on a reimbursement basis. 2 C.F.R. § 200.305. However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency consistent with 2 C.F.R. § 200.305(b)(9).

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

Interest would not accrue if the LEA uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

Payment Methods

Reimbursements: The District will initially charge federal grant expenditures to nonfederal funds.

The District designated Grant or Federal Programs Coordinator and Business Manager will request reimbursement for actual expenditures incurred under the federal grants using proper forms and procedures. All reimbursements are based on actual disbursements, not on obligations. The Department of Education will process reimbursement requests.

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

Reimbursements of actual expenditures do not require interest calculations.

Advances: To the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District attempts to expend all drawn downs of federal funds within 72 hours of receipt or within reasonable time due to circumstances.

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

Interest will be calculated on a pro-rated share of federal grant cash balances per grant and applying the District's actual interest rate. The District will remit interest earned on grant funds annually to the U.S. Department of Health and Human Services Payment Management System (regardless of the federal awarding agency for the grant) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment 2 C.F.R. § 200.305(b)(9).

District shall also comply with policy #617 regarding Petty Cash. The District may retain up to \$500 of interest earned per year.

Note: Districts may continue to comply with the procurement standards in previous federal guidance for two (2) additional fiscal years following the implementation of the new Uniform Grant Guidance (effective December 26, 2014). If the district chooses to use the previous procurement standards, the district must document this decision in their internal procurement policies and procedures. Procurement standards for Food Service programs shall follow the requirements set forth by the USDA and PDE's Division of Food and Nutrition.

Highlands School District – Procurement Policy for District Operations and Federal Programs

In addition to this policy that primarily addresses federal programs and UGG procedures, the District shall also comply with all other school District policies, PA school code and applicable laws that may or may not be stricter than this policy.

This document is intended to integrate standard district purchasing procedures with additional requirements applicable to procurements that are subject to the federal Uniform Grant Guidance regulations and/or U.S. Department of Agriculture (USDA) regulations governing school food service programs. The district maintains the following purchasing procedures, in accordance with federal and state laws, regulations and Board policy. (2 C.F.R. 200.318-200.325; 7 C.F.R. 210.16, 210.19, 210.21, 215.14a, 220.16; 24 P.S. 120, 24 P.S. 504, 24 P.S. 508, 24 P.S. 521, 24 P.S. 607, 24 P.S. 609, 24 P.S. 751, 24 P.S. 807.1; 62 Pa. C.S.A. 4601 et seq; Pol. 610, 611, 612, 613, 808)

Responsibility for Purchasing

The Board has outlined standard district purchasing responsibility, methods of purchasing, price quotations and bid requirements in the following Board policies and their accompanying administrative regulations or procedures:

- Policy 610. Purchases Subject to Bid/Quotation
- Policy 611. Purchases Budgeted
- Policy 612. Purchases Not Budgeted
- Policy 613. Cooperative Purchasing

The purchasing agent is the Superintendent.

Purchase Methods

Refer to District policies which outline procedures required for purchasing and in accord with Pennsylvania School Code:

- Policy 610. Purchases Subject to Bid/Quotation
- Policy 611. Purchases Budgeted
- Policy 612. Purchases Not Budgeted
- Policy 613. Cooperative Purchasing

Standard Procurement Documents and Purchase Request Process

The district shall use purchase orders and requisitions for purchase requests in accordance with the applicable purchase method.

The district shall use paper and electronic purchasing records, which are pre-numbered and are accessible to designated purchasing staff in the district office, the Business Office and the Purchasing agent's office.

Purchase requests by an employee must be submitted to the building administrator or immediate supervisor. Purchase of all budgeted items or items approved by an administrator or supervisor must be initiated by use of a purchase order or requisition submitted to the Superintendent and Purchasing Agent.

Purchase orders and requisitions shall contain information including, but not limited to:

1. Description of the services to be performed or goods to be delivered.
2. Location of where services will be performed or goods will be delivered.
3. Appropriate dates of service or delivery.
4. As per instruction.

Documentation on purchase orders and requisitions shall be maintained in accordance with the district's Records Management Policy and records retention schedule. (Pol. 800)

Contracts shall be reviewed by the Board Secretary, Business Manager, Superintendent and School Solicitor prior to submission to the Board for approval.

Contracts to which the Uniform Grant Guidance apply shall contain the clauses specified in Appendix II to 2 C.F.R. Part 200 (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards), when applicable.

[See Food Service Program Notes below for specific clauses required by USDA regulations to be included in cost reimbursable procurement contracts.]

Micro-Purchases Not Requiring Quotes or Bidding (up to \$3,500)

District shall comply with the following policies in accord with Pennsylvania School Code:

- Policy 610. Purchases Subject to Bid/Quotation
- Policy 611. Purchases Budgeted
- Policy 612. Purchases Not Budgeted
- Policy 613. Cooperative Purchasing

For purposes of this procedure, **micro-purchase** means a purchase of equipment, supplies or services for use in federally funded programs using simplified acquisition procedures, the aggregate amount of which does not exceed a base amount of \$3,500. The micro-purchase dollar threshold is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$3,500. (48 C.F.R. Subpart 2.1)

Note: The micro-purchase maximum for federal purposes is lower than the amount below which the School Code allows purchase for nonfederal purposes to be made without obtaining at least three (3) written or telephonic quotes or using formal competitive bidding.

The micro-purchase method is used in order to expedite the completion of its lowest dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of equipment, supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the district distributes micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices and other terms. The Superintendent, Business Manager, Purchasing Agent and Board Secretary will be responsible to determine the equitable distribution of micro-purchases.

Micro-purchases may be awarded without soliciting competitive quotations if the district considers the price to be reasonable. The district will maintain evidence of this reasonableness in the records of all micro-purchases. **Reasonable** means that sound business practices were followed and the purchase is comparable to market prices for the geographic area. Such determinations of reasonableness may include comparison of the price to previous purchases of the same item or comparison of the price of items similar to the item being purchased.

Even if the cost of a purchase qualifies it as a micro-purchase, bidding or small purchase procedures may be used optionally when those procedures may result in cost savings.

Small Purchase Procedures (between \$3,500 and \$19,400)

District shall comply with the following policies in accord with Pennsylvania School Code:

- Policy 610. Purchases Subject to Bid/Quotation
- Policy 611. Purchases Budgeted
- Policy 612. Purchases Not Budgeted
- Policy 613. Cooperative Purchasing

For purposes of this procedure, **small purchase procedures** are those relatively simple and informal procurement methods for securing equipment, services, or supplies that cost more than the amount qualifying as a micro-purchase and do not cost \$19,400 or more. Small purchase procedures cannot be used for purchases of equipment or supplies or for construction, repair or

maintenance services costing \$19,400 or more because the School Code requires formal competitive bidding at that level of cost.

The base amount at which bidding is required under state law is adjusted for inflation annually, and the amount most recently established and published in the Pennsylvania Bulletin shall apply if other than \$19,400. (24 P.S. § 120)

Because state law does not require bidding for the purchase of services other than construction, maintenance or repairs on school facilities regardless of total cost, small purchase procedures, including a request for proposal (RFP) procedure, may be used for procurement of such other services except when the estimated total cost will be at or over the federal threshold at which formal competitive bidding is required (\$150,000).

[See Food Service Program Notes below for exemption from bidding for purchases of perishable food items costing less than \$150,000.]

If small purchase procedures are used, written or telephonic price or rate quotations are obtained from at least three (3) qualified sources and records of quotes are maintained as provided in Policy 610. (Pol. 610)

Formal Competitive Bidding (\$19,400 or more)

District shall comply with the following policies in accord with Pennsylvania School Code:

- Policy 610. Purchases Subject to Bid/Quotation
- Policy 611. Purchases Budgeted
- Policy 612. Purchases Not Budgeted
- Policy 613. Cooperative Purchasing

Publicly Solicited Sealed Competitive Bids:

For purchases of equipment or supplies, or of services for construction, maintenance or repairs of school facilities, sealed competitive bids are publicly solicited and awarded to the lowest responsive and responsible bidder as provided in Policy 610 when the total cost is estimated to be \$19,400 or more. (Pol. 610)

Note: The amount at which formal competitive bidding is required by federal regulations is much higher than the base amount at which the School Code requires competitive bidding. Therefore, the lower base amount specified by the School Code, as annually adjusted, is used to determine when bidding will be used for purchases of equipment or supplies, or for obtaining services for construction, maintenance or repairs on school facilities. (24 P.S. § 120)

State law does not require bidding for the purchase of services other than construction, maintenance or repairs on school facilities regardless of total cost. For procurement of such other services for federally funded purposes to which the Uniform Grant Guidance applies, formal

competitive bidding will be used when the estimated total cost will be at or over the federal threshold of \$150,000.

The federal competitive bidding dollar threshold is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$150,000. (48 C.F.R. Subpart 2.1)

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

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

Competitive Proposals

State law does not require public school entities to solicit competitive bids for services other than construction, repairs or maintenance of school facilities, for which competitive bidding is required if the cost will be a base amount of \$19,400 or more. State law allows competitive proposals relating to work on facilities in lieu of bidding only in the context of guaranteed energy savings contracts.

Federal regulations allow the use of competitive proposals as an alternative when formal bidding would otherwise be required only to procure architectural and engineering services. Other types of services for federally funded purposes to which the Uniform Grant Guidance applies, professional or otherwise, must be procured using competitive bidding when the cost would meet or exceed the federal threshold for competitive bidding (\$150,000).

In the case of services other than for construction, repairs or maintenance of school facilities costing less than that threshold, the district may use small purchase procedures or micro-purchase procedures as applicable based on total cost. A request for proposal (RFP) process can also meet or exceed the small purchase competition requirements under state law and Policy 610 for the acquisition of services other than for construction, repairs or maintenance of school facilities, and can be used if the total cost will be less than \$150,000.

When permitted, the technique of competitive proposals is normally conducted with more than one (1) source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. Competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The district shall comply with other applicable state and federal law and regulations, Board policy and administrative regulations regarding purchasing; the district may consult with the school solicitor or other qualified counsel in determining the required process for purchasing through competitive proposals when necessary.

If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

Competitive proposals shall be evaluated by the Superintendent, Business Manager and Federal Programs Coordinator based on factors including but not limited to:

- Cost
- Experience of contractor
- Availability
- Personnel qualifications
- Financial stability
- Minority business, women's business enterprise, or labor surplus area firm status
- Project management expertise
- Understanding of district needs
- Bid specs and purchasing requirements

Evaluations shall be completed in a timely manner, documented and shall be reviewed by the Board, Superintendent, Business Manager, Federal Programs Coordinator and School Solicitor.

Contract/Price Analysis:

The district performs a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. (2 C.F.R. § 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 Superintendent or designee must come to an independent estimate prior to receiving bids or proposals. (2 C.F.R. § 200.323(a)). As part of the analysis, the District Administration will enact established business practices which may include evaluation of similar prior procurements and a review process.

When performing a cost analysis, the Superintendent or designee negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and

industry profit rates in the surrounding geographical area for similar work.
(2 C.F.R. § 200.323(b)).

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals means procurement through solicitation of a proposal from only one (1) source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. An **emergency** exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing school classes.
3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the district.
4. After solicitation of a number of sources, the district determines the competition is inadequate.

In addition to standard procurement policy and procedures, the district will document the grounds for using the noncompetitive method in lieu of an otherwise required competitive method of procurement, which may include written confirmation from the contractor as the sole source of the item. Documentation must be submitted to and maintained by the Business Office.

All noncompetitive proposals will ultimately be approved by the Board. The district may utilize legal advice from the solicitor regarding noncompetitive proposals.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.

Purchase Cards

The District shall comply with Policy 624 regarding a card purchase.

Full and Open Competition

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

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

EDGAR further requires the following to ensure adequate competition.

Minority Businesses, Women's Business Enterprises, Labor Surplus Area Firms

The district must take necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include: (2 C.F.R. § 200.321)

1. Placing qualified small and minority business 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 purchasing requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business 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.
6. Requiring the prime contractor, if subcontracts are let, to take the affirmative steps listed above.

Geographical Preferences Prohibited

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

[See Food Service Program Notes below for permissibility of geographic preferences and “Buy American” practices in purchasing certain food products]

Prequalified Lists

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

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

Solicitation Language

The district must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must 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, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

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

Avoiding Acquisition of Unnecessary or Duplicative Items

The district must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration must be given to consolidating or breaking out procurements to obtain a more economical purchase; and, where appropriate, an analysis must be made of leases 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. Such considerations are accessible in the procedure attached to Policy 626: Allowability of Costs – Federal Programs.

Use of Intergovernmental Agreements and Cooperative Purchasing

To foster greater economy and efficiency, the district enters into state and local intergovernmental agreements where appropriate for cooperative purchasing or use of common or shared goods and services, as permitted by the Intergovernmental Cooperation Act and the Commonwealth Procurement Code. (Pol. 613; 53 Pa. C.S. Ch. 23; 62 Pa. C.S. Ch. 19)

When procuring supplies or services for federally funded purposes to which the Uniform Grant Guidance applies, the district shall verify that the organization conducting the procurement pursuant to such agreements complies with the applicable requirements and standards of the Uniform Grant Guidance as outlined in this procedure.

Use of Federal Excess and Surplus Property

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

Debarment and Suspension

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

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

The district may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000 the district verifies that the contractor with whom the district intends to do business is not excluded or disqualified. (2 C.F.R. Part 200, Appendix II, and 2 C.F.R. § 180.220 and 180.300).

All successful contractors must provide written certification that they have not been suspended or debarred from federal projects. The Business Manager and Federal Programs Coordinator will be responsible for verification. Such verification may include accessing the online federal System for Award Management (SAM) to determine whether any relevant party is subject to any suspension or debarment restrictions.

Maintenance of Procurement Records

The district must 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 verification that the contractor is not suspended or debarred.

Maintenance of records of procurement will be governed by Board policy 800 Records Management and established administrative regulations. (Pol. 800)

Time and Materials Contracts

The district may 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, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the district must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Settlements of Issues Arising Out of Procurements

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

Protest Procedures to Resolve Dispute

The District shall comply with Policy 621 regarding any disputes.

Food Service Program Notes:

Exemption from Bidding for Perishable Food Items -

The School Code exempts purchases of perishable food items from bidding requirements. Bidding for perishable food items is required only if the cost would be at or over the federal threshold at which formal competitive bidding is required (\$150,000). Small purchase procedures may be used for purchases below \$150,000, or micro-purchase procedures for purchases below \$3,500. Use of bidding should be considered as an option if it is feasible and likely to result in cost savings. (24 P.S. § 504(d))

Geographic Preferences -

The district is permitted to apply a geographic preference when procuring unprocessed locally grown or locally raised agricultural products. When a geographic preference is applied, the district has discretion to determine the local area to which the geographic preference option will be applied.

Unprocessed locally grown or locally raised agricultural products means only those agricultural products that retain their inherent character. The effects of the following food handling and preservation techniques shall not be considered as changing an agricultural product into a product of a different kind or character: cooling; refrigerating; freezing; size adjustment made by peeling, slicing, dicing, cutting, chopping, shucking, and grinding; forming ground products into patties without any additives or fillers; drying/dehydration; washing; packaging (such as placing eggs in cartons), vacuum packing and bagging (such as placing vegetables in bags or combining two (2) or more types of vegetables or fruits in a single package); the addition of ascorbic acid or other preservatives to prevent oxidation of produce; butchering livestock and poultry; cleaning fish; and the pasteurization of milk. (7 C.F.R. § 210.21, 215.14a, 220.16)

Buy American -

The district shall purchase, to the maximum extent practicable, domestic commodities or products for food service purposes. The term **domestic commodity or product** means: (7 C.F.R. § 210.21, 220.16)

1. An agricultural commodity that is produced in the United States; and
2. A food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

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: (7 C.F.R. § 210.21, 215.14a, 220.16)

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. (a) 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

2. (b) 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;
3. 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;
4. 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;
5. 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
6. 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.

Contracts with Food Service Management Companies -

Procedures for selecting and contracting with a food service management company (FSMC) shall comply with guidance provided by the Pennsylvania Department of Education, Division of Food and Nutrition, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts. (7 C.F.R. § 210.16, 210.19, 210.21, 215.14a, 220.16)

Pre-Plated Meals -

Procedures for selecting and contracting with contractors of pre-plated meals shall comply with guidance provided by the Pennsylvania Department of Education, Division of Food and Nutrition, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts. (7 C.F.R. § 210.16, 210.19, 210.21, 220.16)

Grant Subrecipient Monitoring Procedures – Federal Programs

In the event the district disperses federal funds received through a federal award to other entities and assigns responsibilities to the outside entity to conduct a portion of the work, the district shall be responsible for determining, on a case-by-case basis, whether the agreement with such entity places the outside entity in the role of a subrecipient receiving a subaward of federal funding, or the role of a contractor.

If the district grants subawards of federal funding to other entities as subrecipients, the district shall be responsible for:

1. Evaluating the entity for risk of noncompliance to determine appropriate monitoring practices.
2. Monitoring the subrecipient entity's implementation to ensure compliance with federal, state and local laws, conditions of the federal funding award, and Board policy and procedures.
3. Notifying the subrecipient entity of identified deficiencies found during the monitoring process and ensuring that identified deficiencies are corrected.
4. Documenting and retaining records on subrecipient identification, notification, evaluation, monitoring and corrective actions taken.

Definitions

For purposes of policies and procedures related to federal programs, the following definitions shall apply:

Contract – a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term as used here does not include a legal instrument, even if the entity considers it a contract, when the substance of the transaction meets the definition of a federal program award or subaward. (2 CFR 200.22)

Contractor – an entity that receives a contract, as defined in law and regulations, by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. (2 CFR 200.23)

Pass-through entity – a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The district serves as the pass-through entity in cases where it awards federal funding to a subrecipient as defined in this procedure. (2 CFR 200.74)

Subaward – an award provided by a pass-through entity to a subrecipient in order to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. (2 CFR 200.92)

Subrecipient – a non-federal entity that receives a subaward to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. (A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.) (2 CFR 200.93)

Subrecipient Versus Contractor

The district must determine, on a case-by-case basis, whether an entity receiving funds from the district as part of a federal funding program serves in a role of subrecipient or contractor. (2 CFR 200.330)

The

☐ Superintendent

☐ Federal Programs Coordinator

☐ Business Manager

☒ other Administrator or Coordinator in charge of said grant

shall be responsible for analyzing the criteria listed in the chart below and evaluating the relationship with the entity based on the substance of the legal agreement, rather than the form of the agreement. The Administrator or Coordinator may consult with the school solicitor or other qualified counsel in making such determination.

Subrecipient	Contractor
Creates a Federal assistance relationship	Purpose is to obtain goods and services for the non-Federal entity's own use and creates a procurement relationship
Determines who is eligible to receive what Federal assistance	Provides the goods and services within normal business operations
Has its performance measured in relation to whether objectives of a Federal program were met	Provides similar goods or services to many different purchasers
Has responsibility for programmatic decision making	Normally operates in a competitive environment
Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and	Provides goods or services that are ancillary to the operation of the Federal program; and
In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity (PTE)	Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons

*chart provided by © American Institute of CPAs (AICPA)

The district shall notify subrecipients that they have been identified as a subrecipient and that the funding qualifies as a subaward. The district shall provide the subrecipient with the following information as specified at 2 CFR Sec. 200.331(a) regarding the federal funding award, and any subsequent changes:

- 1) Federal Award Identification information, including:
 - (i) Subrecipient name (which must match the name associated with its unique entity identifier);
 - (ii) Subrecipient's unique entity identifier;
 - (iii) Federal Award Identification Number (FAIN);
 - (iv) Federal Award Date (see §200.39 federal award date) of award to the recipient by the federal agency;
 - (v) Subaward Period of Performance Start and End Date;
 - (vi) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
 - (vii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation;
 - (viii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
 - (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - (x) Name of federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
 - (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement;
 - (xii) Identification of whether the award is R&D; and
 - (xiii) Indirect cost rate for the federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).
- 2) All requirements imposed by the pass-through entity on the subrecipient so that the federal award is used in accordance with federal statutes, regulations and the terms and conditions of the federal award;

- 3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports;
- 4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);
- 5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and
- 6) Appropriate terms and conditions concerning closeout of the subaward.

Evaluation of Risk

The district shall evaluate each subrecipient's risk of noncompliance with law, regulations and the terms and conditions of the subaward to determine appropriate monitoring practices. (2 CFR 200.331)

The

☐ Superintendent

☐ Federal Programs Coordinator

☐ Business Manager

☒ other Administrator or Coordinator in charge of said grant

or designee shall be responsible for evaluating risk based on the following factors:

1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits, including whether the subrecipient receives a single audit and the extent to which the same or similar subaward has been audited;
3. Whether the subrecipient has new personnel, or new or substantially changed systems and processes;
4. The extent and results of any federal award agency's monitoring of the subrecipient.

The Administrator or Coordinator or designee shall request adequate documentation from the subrecipient to conduct the evaluation of risk; such documentation may include, but shall not be limited to,

☒ audit reports

☒ financial reports

☒ policies and procedures

☒ detailed descriptions or users' guides of current systems and processes.

The district shall evaluate subrecipients for risk of noncompliance

☐ annually.

☒ as specified in the legal agreement or contract.

Based on the results of the risk evaluation, the district may consider imposing specific conditions on implementation of the subaward, in accordance with applicable law and regulations. (2 CFR 200.207, 200.331)

Monitoring

The district shall monitor the implementation and activities of each subrecipient as necessary to ensure that the subaward is used for authorized purposes, in accordance with law, regulations and the terms and conditions of the subaward. The district shall notify subrecipients of monitoring requirements, and may provide technical assistance to subrecipients in complying with monitoring requirements.

As part of the monitoring process, the district shall complete the following steps: (2 CFR 200.331)

1. Review financial and performance reports required by the district.
2. Follow-up and ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the subaward detected during monitoring through audits, on-site reviews and other means.
3. Issue a management decision for audit findings pertaining to the subaward provided to the subrecipient, in accordance with applicable law and regulations. (2 CFR 200.521)

Monitoring –

The

☐ Superintendent

☐ Federal Programs Coordinator

☐ Business Manager

☒ other Administrator or Coordinator in charge of said grant

or designee shall be responsible for monitoring of subrecipients. Monitoring activities may include, but shall not be limited to:

1. Review of progress reports, financial reports and data quality.
2. On-site visits.
3. Review of federal or state debarment lists.
4. Review of other agreed-upon procedures specified in the legal agreement or contract. (2 CFR 200.425)

The district shall verify that subrecipients are audited as required by applicable law and regulations. (2 CFR 200.331, 2 CFR 200.500-200.521, Pol. 619)

Follow-Up Actions –

The Administrator or Coordinator in charge of said grant or designee shall provide subrecipients with written documentation detailing their monitoring results and listing any identified deficiencies. The district shall consider whether the results of monitoring indicate the need to revise existing district policy and procedures. (2 CFR 200.331)

The district shall require subrecipients to take immediate action on issues involving ineligible or illegal use of federal funding, and notify the district of corrective action taken.

The district shall require subrecipients to develop a corrective action plan to address other identified deficiencies or noncompliance issues; such plan shall be submitted to the district

☐ within 60 days,

☐ as soon as possible,

☒ as specified in the agreed-upon procedures,

and the district shall evaluate and monitor the activities taken by the subrecipient under the corrective action plan. The district may provide technical assistance and/or training to subrecipients in complying with corrective action requirements.

The Administrator or Coordinator in charge of said grant or designee shall maintain all documentation on monitoring of subrecipients and corrective action taken during the monitoring process.

The district shall report issues of noncompliance to the appropriate federal agency where required by law, regulations, or requirements of the federal funding program.

Remedies for Noncompliance –

When monitoring activities identify issues of noncompliance that are not addressed through corrective action, the district may take the following actions: (2 CFR 200.331, 200.338)

1. Impose specific conditions on the subrecipient, in accordance with applicable law and regulations. (2 CFR 200.207)
2. Temporarily withhold cash payments, in accordance with applicable law and regulations.
3. Disallow or deny use of funds for all or part of the cost of the activity or action not in compliance.
4. Wholly or partially suspend or terminate the agreement for the federal award.
5. Recommend that the federal agency initiate suspension and debarment proceedings.
6. Withhold further awards or agreements for the project or program.
7. Take other remedies legally available, in consultation with the school solicitor or other qualified counsel.

Record Retention

The

☐ Superintendent

☐ Federal Programs Coordinator

☐ Business Manager

☒ other Administrator or Coordinator in charge of said grant

shall ensure that all documentation regarding subrecipient identification, notification, evaluation, monitoring activities and corrective action is maintained in accordance with Board policy and procedures. (Pol. 800)

Records shall be retained in accordance with applicable law, regulations, specific requirements of the federal program and the district's records retention schedule. (2 CFR 200.333-200.337, Pol. 800)

Book	Policy Manual
Section	600 Finances
Title	Travel Reimbursement - Federal Programs
Number	626.1 Vol II 2016
Status	Second Reading
Legal	1. 2 CFR 200.474 2. 24 P.S. 516.1 3. 24 P.S. 517 4. Pol. 004 5. Pol. 331
Last Reviewed	June 20, 2016

Authority

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. [1][2][3]

Definition

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. [1]

Delegation of Responsibility

School officials and district employees shall comply with applicable Board policies and administrative regulations established for reimbursement of travel and other expenses. [4][5]

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

☒ Superintendent or designee

☐ Business Manager

☐ Federal Programs Coordinator

and subject to Board policy # 331.

Guidelines

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 nonfederally funded activities, and in accordance with the district's travel reimbursement policies and administrative regulations. [1][4][5]

Mileage reimbursements shall be at the rate approved by the Board 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

☒ the Board.

☐ the federal General Services Administration for federal employees for locale where incurred. *delete*

All travel costs must be presented with an itemized, verified statement prior to reimbursement. [2][3]

In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that: [1][4][5]

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

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Last Modified by Michele Bloch on October 6, 2016

**Highlands School District – Travel Reimbursement Policy
for District Operations and Federal Programs**

In addition to this policy that primarily addresses federal programs and UGG procedures, the District shall also comply with all other school District policies, PA school code and applicable laws that may or may not be stricter than this policy.

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of a grant recipient. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written travel reimbursement policies. 2 C.F.R. § 200.474(a).

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the District's established policy. 2 C.F.R. § 200.474(b).

Costs will be allowed in accordance with the District's travel policy.

Please review and add any sections of this attachment into policy 626.1. This attachment will no longer be active - policy 626.1 will be the Active representation.

Book	Policy Manual
Section	300 Employees
Title	Job Related Expenses
Number	331
Status	Active
Legal	1, 24 P.S. 517
Adopted	August 15, 2016

Reference to this
Policy in 626.1

Authority

The Board shall reimburse administrative, professional and classified employees for the actual and necessary expenses, including travel expenses, incurred in the course of performing services for the district, in accordance with Board policy.[1]

Definition

Full Itemization - for the purposes of this policy, shall be interpreted to include an enumeration of all items for which reimbursement is being sought, as well as an enumeration of all individuals responsible for items included on the receipt including, but not limited to, individuals present in the vehicle, individuals present at the meal and individuals staying in the lodging.

Delegation of Responsibility

The validity of payments for job related expenses for all district employees shall be determined by the Superintendent or designee.

Payments shall be signed-off on by the Superintendent, Business Manager, the Immediate supervisor, the Board President, or in the Board President's absence, the Board Vice-President. All four (4) signatures shall be necessary in order to receive reimbursement.

The Superintendent or designee shall develop regulations for reimbursement of travel expenses, including the following:

1. Under normal conditions, employees traveling on official business shall provide themselves with sufficient funds for ordinary expenses.
2. Travel shall be by the most direct and economical route.
3. For official travel by other than automobile, the district shall arrange the advance purchase of transportation tickets.
4. In all instances of travel and job related expense reimbursements, full itemization with receipts attached shall be required.

Guidelines

The use of a personal vehicle shall be considered a legitimate job expense if travel is among the employee's assigned schools, but not between home and school, and is authorized in advance by the immediate supervisor.

Use of a personal vehicle for approved purposes shall be reimbursable at the current IRS rate.

Use of a personal vehicle requires that liability insurance be provided by the employee.

Actual and necessary expenses incurred when attending functions outside the district shall be reimbursed to an employee if approval has been obtained in advance from the Superintendent.[1]

Attendance at approved events outside the district shall be without loss of regular pay, unless otherwise stipulated prior to attendance.

Per Diem Allowances for Meals and Incidental Expenses

The Board shall authorize payment, in accordance with the established per diem allowances for meals and incidental expenses.

Employees shall be required to turn in itemized receipts and shall be reimbursed at the lower rate of actual expenses or per diem allowance.

Last Modified by Michele Bloch on August 25, 2016



SECTION: OPERATIONS

TITLE: CONFLICT OF INTEREST

ADOPTED:

REVISED:

	827. CONFLICT OF INTEREST
1. Purpose	This policy shall affirm standards of conduct established to ensure that Board members and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.
2. Definitions 65 Pa. C.S.A. Sec. 1101 et seq	Confidential information shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.
65 Pa. C.S.A. Sec. 1101 et seq	Conflict or Conflict of interest shall mean use by a Board member or district employee of the authority of his/her office or employment, or any confidential information received through his/her holding public office or employment, for the private pecuniary benefit of him/herself, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated. The term does not include an action having a de minimis economic impact, or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the Board member or district employee, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated.
65 Pa. C.S.A. Sec. 1101 et seq	De minimis economic impact shall mean an economic consequence which has an insignificant effect.
65 Pa. C.S.A. Sec. 1101 et seq	Financial interest shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.
65 Pa. C.S.A. Sec. 1101 et seq	Honorarium shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de minimis economic impact.

827. CONFLICT OF INTEREST - Pg. 2

<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>Immediate family shall mean a parent, parent-in-law, spouse, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister.</p> <p>Business partner shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.</p>
<p>3. Delegation of Responsibility</p>	<p>Each employee and Board member shall be responsible to maintain standards of conduct that avoid conflicts of interest. The Board prohibits members of the Board and district employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.</p>
<p>4. Guidelines</p>	<p>All Board members and employees shall be provided with a copy of this policy and acknowledge in writing that they have been made aware of it. Additional training shall be provided to designated individuals.</p>
<p>Pol. 004</p>	<p><u>Disclosure of Financial Interests</u></p> <p>No Board member shall be allowed to take the oath of office or enter or continue upon his/her duties, nor shall s/he receive compensation from public funds, unless s/he has filed a statement of financial interests as required by law.</p>
<p>65 Pa. C.S.A. Sec. 1104 Title 51 Sec. 15.2</p>	<p>The district solicitor and designated district employees shall file a statement of financial interests as required by law and regulations.</p> <p><u>Standards of Conduct</u></p>
<p>2 CFR Sec. 200.318</p>	<p>The district maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and Board members engaged in the selection, award and administration of contracts.</p>
<p>2 CFR Sec. 200.318</p>	<p>No employee or Board member may participate in the selection, award or administration of a contract supported by a federal award if s/he has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, Board member, any member of his/her immediate family, his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.</p>

827. CONFLICT OF INTEREST - Pg. 3

<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>The district shall not enter into any contract with a Board member or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the Board has determined it is in the best interests of the district to do so, and the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the Board member or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.</p> <p>When advertised formal bidding is not required or used, an open and public process shall include at a minimum:</p> <ol style="list-style-type: none"> 1. Public notice of the intent to contract for goods or services; 2. A reasonable amount of time for potential contractors to consider whether to offer quotes; and 3. Post-award public disclosure of who made bids or quotes and who was chosen.
<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>Any Board member or employee who in the discharge of his/her official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record.</p>
<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>No public official or public employee shall accept an honorarium.</p>
<p>2 CFR Sec. 200.318 Pol. 322</p>	<p>Board members and employees may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with Board policy.</p>
<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p><u>Improper Influence</u></p> <p>No person shall offer or give to a Board member, employee or nominee or candidate for the Board, or a member of his/her immediate family or a business with which s/he is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Board would be influenced thereby.</p>

Any perceived conflict of interest that is detected or suspected by any employee or third party shall be reported to the Superintendent. If the Superintendent is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Board President.

<p>Pol. 317</p>	<p>Any perceived conflict of interest of a Board member that is detected or suspected by any employee or third party shall be reported to the Board President. If the Board President is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Superintendent, who shall report the incident to the solicitor.</p> <p>No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.</p> <p><u>Investigation</u></p> <p>Investigations based on reports of perceived violations of this policy shall comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results.</p> <p>In the event an investigation determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies.</p> <p><u>Disciplinary Actions</u></p> <p>If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, the district shall take prompt, corrective action to ensure that such conduct ceases and will not recur. District staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.</p> <p>Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with Board policies, procedures, applicable collective bargaining agreements and state and federal laws.</p>
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827. CONFLICT OF INTEREST - Pg. 6

References:

State Ethics Commission Regulations – 51 PA Code Sec. 15.2

Public Official and Employee Ethics Act – 65 Pa. C.S.A. Sec. 1101 et seq.

Uniform Administrative Requirements for Federal Awards, Title 2, Code of Federal Regulations – 2 CFR Sec. 200.318

Board Policy – 004, 011, 317, 319, 322, 609, 702

**Highlands School District – Conflict of Interest Policy
for District Operations and Federal Programs**

In addition to this policy that primarily addresses federal programs and UGG procedures, the District shall also comply with all other school District policies, PA school code and applicable laws that may or may not be stricter than this policy.

Standards of Conduct

In accordance with 2 C.F.R. § 200.18(c)(1), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

District employees shall also comply with the PA Ethics Act and School Code regarding conflicts of interest.

Please review and add any sections of this attachment into policy 827. This attachment will no longer be active - policy 827 will be the Active representation.

