

Office of the General Counsel  
Walter J. Harvey, General Counsel

**SUBJECT:** **FINAL READING: PROPOSED AMENDMENTS TO SCHOOL BOARD POLICIES 6110, GRANT FUNDS, 6111, INTERNAL CONTROLS, 6112, CASH MANAGEMENT OF GRANTS, 6114, COST PRINCIPLES FOR FEDERAL FUNDS, AND 6320.07, PROCUREMENT – FEDERAL GRANTS/FUNDS**

**COMMITTEE:** **FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS**

**LINK TO STRATEGIC PLAN:** **EFFECTIVE & SUSTAINABLE OPERATIONAL PRACTICES**

Consistent with the Board’s responsibility to periodically review and update its policies to conform to legislative changes, authorization is requested to amend Policies 6110, *Grant Funds*, 6111, *Internal Controls*, 6112, *Cash Management of Grants*, 6114, *Cost Principles for Federal Funds*, and 6320.07, *Procurement – Federal Grants/Funds*, based on revisions to the U.S. Office of Management and Budget (OMB) Guidance for Federal Financial Assistance (2 C.F.R. Title II, Part 200), that became effective October 1, 2024.

Policy 6110, *Grant Funds*, is proposed for amendment to incorporate changes to 2 C.F.R. §§ 200.113 and 200.217, which govern mandatory disclosures of criminal activity and whistleblower protections. The policy would also be amended to revise financial management requirements and internal control measures for federal grants pursuant to 2 C.F.R. §§ 200.302–303; incorporate the new audit and records-retention requirements of 2 C.F.R. §§ 200.501 and 200.415; and revise the definition of “program income” pursuant to 2 C.F.R. §§ 200.1 and 200.307.

Policy 6111, *Internal Controls*, is proposed for amendment to incorporate changes to 2 C.F.R. § 200.303, which now states that internal controls over federal awards should comply with guidance documents issued by the U.S. Comptroller General and the Committee of Sponsoring Organizations of the Treadway Commission.

Policy 6112, *Cash Management of Grants*, is proposed for amendment to incorporate new provisions of 2 C.F.R. § 200.305 governing the frequency of payment requests and the maintenance, use, and return of advance payments of federal awards.

Policy 6114, *Cost Principles for Federal Funds*, is proposed for amendment to conform to 2 C.F.R. §§ 200.309, 200.403–408, 200.410, 200.413, 200.416, and 200.439. These revised regulations delineate which costs in connection with a federal award are allowable, direct, indirect, and reasonable; set prohibitions on expenditures; specify which credits can be applied toward federal awards; and establish a period of performance for all financial obligations tied to federal awards.

Policy 6327.07, *Procurement – Federal Grants/Funds*, is proposed for amendment to incorporate the new conflict-of-interest provisions of 2 C.F.R. § 200.318 applicable to all procurements using federal awards; to incorporate the new requirements of 2 C.F.R. § 200.323, which governs procurement of recovered materials; to incorporate the new requirement of 2 C.F.R. § 200.324 that the District perform specific cost-benefit or price analyses for procurements using federal funds; to incorporate the records-retention requirements of 2 C.F.R. § 200.334; and to delete language from 2 C.F.R. § 200.319 that is no longer applicable.

The Notice of Intended Action was published in the Miami Herald on November 25, 2024, and posted in various places for public information and mailed to various organizations representing persons affected by the adopted and amended Board policies and individuals requesting notification. The time to request a hearing or protest the adoption and amendment of these policies has elapsed.

These amendments were drafted in collaboration with, and reviewed by the Superintendent, Cabinet, and District staff. The Notice of Intended Action and policies with strikethroughs and underlines are attached.

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida, amend Policies 6110, *Grant Funds*, 6111, *Internal Controls*, 6112, *Cash Management of Grants*, 6114, *Cost Principles for Federal Funds*, and 6320.07, *Procurement – Federal Grants/Funds*, and authorize the Superintendent to file the policies with The School Board of Miami-Dade County, Florida, to be effective January 15, 2025.

## **NOTICE OF INTENDED ACTION**

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on November 20, 2024, its intention to amend Board Policies 6110, *Grant Funds*, 6111, *Internal Controls*, 6112, *Cash Management of Grants*, 6114, *Cost Principles for Federal Funds*, and 6320.07, *Procurement – Federal Grants/Funds*, at its meeting of January 15, 2025.

PURPOSE AND EFFECT: Policies 6110, *Grant Funds*, 6111, *Internal Controls*, 6112, *Cash Management of Grants*, 6114, *Cost Principles for Federal Funds*, and 6320.07, *Procurement – Federal Grants/Funds*, are proposed for amendment based on revisions to the U.S. Office of Management and Budget (OMB) Guidance for Federal Financial Assistance.

SUMMARY: Policies 6110, *Grant Funds*, 6111, *Internal Controls*, 6112, *Cash Management of Grants*, 6114, *Cost Principles for Federal Funds*, and 6320.07, *Procurement – Federal Grants/Funds*, are proposed for amendment based on revisions to U.S. OMB Guidance for Federal Financial Assistance (2 C.F.R. Title II, Part 200) that became effective October 1, 2024. The revised federal regulations govern matters including, but not limited to, mandatory disclosures; whistleblower protections; financial management requirements; internal control measures; audit and records-retention requirements; the maintenance, use, and return of advance payments; cost principles and expenditure prohibitions; conflicts of interest; and procurement standards.

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: F.S. ss. 1001.41(1)–(2), 1001.42(12), 1001.43(2).

LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC: 2 C.F.R. §§ 200.1, 200.113, 200.217, 200.302–303, 200.305, 200.307, 200.309, 200.318–319, 200.323–324, 200.334, 200.403–408, 200.410, 200.413, 200.415–416, 200.439, 200.501

IF REQUESTED, A HEARING WILL BE HELD DURING THE SCHOOL BOARD MEETING OF November 20, 2024, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided in Section 120.541(1), F.S., must do so in writing by December 18, 2024, to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by the School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is based. (Section 286.0105, Florida Statutes)

A COPY OF THE PROPOSED AMENDED POLICIES are available at cost to the public for inspection and copying in the Citizen Information Center, Room 102, 1450 N.E. Second Avenue, Miami, Florida 33132.



Book Policy Manual  
Section January 15, 2025 - Final Reading  
Title **GRANT FUNDS**  
Code 6110  
Status Final Reading

## 6110 - **GRANT FUNDS**

The School Board intends to derive maximum benefit from education grant and foundation funds and will make as many proposals as will be beneficial to the District.

### I. **Purpose**

The purpose of securing grants is to increase funding for student achievement programs that are consistent with Board initiatives.

- A. A quarterly report listing grant awards under \$250,000 will be transmitted to the Board by the Office of Grants Administration. Schools, Region Centers, and District-level offices shall provide, at a minimum, the funding source, the amount of the grant award, the purpose of the grant-funded program, the length of time the program will be in existence, any required matching funds, and in-kind contributions associated with the grant-funded program.
- B. A Board item will be submitted to the Board seeking acceptance of grant awards of \$250,000 and above. The Board item will include a description of the funding source, an overview of the program funded by the grant award, a summary of program expenditures, the source and details of any required matching funds, and a detailed description of contracts to be awarded using the grant funds. The recommendation for each grant award may be as follows:

That the Board authorizes the Superintendent to:

1. accept a grant award including the funding source, grant award amount, name of program, and funding period;
2. retain funds from the grant in an amount not to exceed the annually negotiated indirect cost rate, as allowed and approved by the Florida Department of Education; and
3. direct Financial Operations to establish appropriations in the amounts approved by the granting agency and to be reported periodically to the Board.

The use of grant monies for partisan political activities and for any discriminatory use is prohibited. All grant funds will be used according to the purposes and policies of the Board and the applicable State and Federal law. Each draw of grant monies shall be as close as administratively feasible to the related program expenditures.

The Superintendent may seek funds for purposes consistent with this policy and shall develop and update administrative procedures to implement this policy.

## II. **Grant Proposal Development**

- A. All grant proposals must support Board initiatives.
- B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified and documented.

## III. **Grant Administration**

- A. The administration of grants will adhere to all applicable Federal, State, local, and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as Board policies and procedures. The District, in recognition of its unique combination of staff, facilities, and experience, shall employ internal controls, including the organizational and management strategies necessary to assure proper and efficient administration of grant awards.
- B. The Superintendent and/or Board Chair, if applicable, are authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.
- C. Employee positions established through the use of grant funding shall terminate if and when the related grant funding ceases.
- D. Program reports including but not limited to audits, site visits, and both annual and final reports shall be provided to the Office of Grants Administration.

- E. All Federal funds received will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. Each draw of Federal monies shall be aligned with the established payment process (whether reimbursement, cash advance, or a combination). If funds are permitted to be drawn in advance, all draws will be equal in magnitude as closely as administratively feasible, to the magnitude of the related program expenditures. When restricted, such monies will be used to supplement programs and funding and not to supplant or replace existing programming or current funding.

Maintenance of Effort (MOE) and Maintenance of Equity (MOEquity) requirements of the Federal program will be met in accordance with the requirements of the specific funded program. The District shall maintain appropriate documentation and records to substantiate compliance or to justify allowable exceptions, exemptions, or waivers.

#### IV. Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local and grantor rules, regulations, and assurances as well as Board policies and administrative procedures.

The Superintendent shall provide for the following:

- A. ~~Identification, in Board accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.~~
- B. —Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant. This entails maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, and unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

~~C.—Records that identify adequately the source and application of funds provided for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.~~

B.  
~~D.C.~~ Effective control over, and accountability for, all funds, property, and other assets. The Board-District must adequately safeguard all assets and assure-ensure that they are used solely for authorized purposes.

Further, the Superintendent shall:

1. establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the District is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
2. comply with Federal statutes, regulations, and the terms and conditions of the Federal award;
3. evaluate and monitor compliance with statutes, regulations, and the terms and conditions of the Federal award;
4. take prompt action when instances of noncompliance are identified ~~including noncompliance identified in audit findings~~; and
5. take reasonable cybersecurity and other measures to safeguard information, including:
  - a. protected personally identifiable information;
  - b. information the District considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality; and
  - ~~5.c.~~ and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.

~~E.D.~~ Comparisons of actual expenditures or outlays with budgeted amounts for each Federal award. ~~Comparison of expenditures with budget amounts for each Federal award.~~

~~F.E.~~ Recordkeeping and written procedures to the extent required as may be required by Federal, State, local and grantor rules, and regulations pertaining to the grant award and accountability, including, but not limited to, the following areas:

1. cash management in accordance with 2 C.F.R. 200.305;

2. [allowability of costs in accordance with 2 C.F.R. Ch. II, Part 200, Subpt. E \(Cost Principles\) and the terms and conditions of the Federal award;](#)
3. conflict of interest;
- ~~4.~~ procurement;

5. equipment management;
6. conducting technical evaluations of proposals and selecting recipients;
7. compensation and fringe benefits; and
8. travel.

**G.F.** Disclosure of any potential conflict of interest and all mandatory violation disclosures potentially affecting the Federal award/grant to the Federal awarding agency or pass-through agency in accordance with applicable Federal policy.

**H.G.** Insurance coverage for real property and equipment, if applicable, for such property owned by the Board.

#### **V. Mandatory Disclosures for Federal Awards**

- **A.** The District must promptly disclose whenever it has credible evidence of a violation of Federal criminal law potentially affecting a Federal award including, but not limited to, fraud, embezzlement, bribery, gratuity violations, identity theft, sexual assault and exploitation, or a violation of the civil False Claims Act (2 C.F.R. 175.105) regarding the obligation to report credible information related to conduct prohibited by the Trafficking Victims Protection Act (22 U.S.C. 7104c). The disclosure must be made in writing to the Federal agency, pass-through entity, and the Federal agency's Office of Inspector General.
- **B.** The District is also required to report matters related to its integrity and performance as a recipient in accordance with Appendix XII of 2 C.F.R. Part 200.

#### **VI. Whistleblower Protections**

- In accordance with Board policies protecting whistleblowers and prohibiting fraud, an employee of the District may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information to the appropriate agency or individual that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract or grant.

#### **VII. Audit Requirements for Federal Awards**

A single or program-specific audit (2 C.F.R. 200.514, 2 C.F.R. 200.507) is required if the District expends \$1,000,000 or more in Federal awards during the District's fiscal year. When Federal awards expended are less than \$1,000,000, the District may be exempt from Federal audit requirements (2 C.F.R. 200.501) for that year. However, in all instances, the District's records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and the Government Accountability Office (GAO).

The District shall:

- A. arrange for the audit required in accordance with 2 C.F.R. 200.509 and ensure that the audit is properly performed and submitted in accordance with 2 C.F.R. 200.512;
- B. prepare financial statements, including the schedule of expenditures of Federal awards, in accordance with 2 C.F.R. 200.510;
- C. promptly follow up and take corrective action on audit findings, including preparing a summary schedule of prior audit findings and a corrective action plan (2 C.F.R. 200.511); and
- D. provide the auditor access to personnel, accounts, books, records, supporting documentation, and any other information needed for the auditor to perform the audit.

#### VIII. Certifications and Records Retention

- A. Financial reports must include a certification signed by an official who is authorized to legally bind the District, stating as follows:

-

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

-

- B. Each certification must be maintained pursuant to the requirements of 2 C.F.R. 200.334. The District shall retain all Federal award records for three (3) years from the date of submission of the final financial report.

#### IX. Program Income

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

It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.

Program income does not include:

A. Interest earned on advances of Federal funds ~~is not program income.~~  
~~or Except as otherwise provided in Federal statutes, regulations or the terms and conditions of the Federal award, program income does not~~

B. except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award:

1. include rebates, credits, discounts, and interest earned on any of them; ~~Additionally,~~

2. taxes, special assessments, levies, fines, and ~~other such similar~~ revenues raised by ~~a recipient~~ the recipient or subrecipient ~~are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income.~~

3. Finally, proceeds from the sale of real property, equipment, or supplies ~~are not program income; or~~

4. license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions made under the Federal award subject to 37 C.F.R. Part 401.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the deduction method of accounting for program income shall be used. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless otherwise directed by the Federal [awarding](#) agency or pass-through entity.

Effective 07.01.2011  
Revised 10.05.2016  
Revised 01.18.2023

© **Neola 2022**

Legal References:

34 C.F.R. 75.707

34 C.F.R. 75.563

34 C.F.R. 76.565

34 C.F.R. 76.707

[2 C.F.R. 200.1](#)

2 C.F.R. 200.56

2 C.F.R. 200.71

2 C.F.R. 200.77

2 C.F.R. 200.80

2 C.F.R. 200.112

[2 C.F.R. 200.113](#)

[2 C.F.R. 200.217](#)

2 C.F.R. 200.302

[2 C.F.R. 200.303](#)

2 C.F.R. 200.307

2 C.F.R. 200.309

2 C.F.R. 200.310

2 C.F.R. 200.313

2 C.F.R. 200.318

2 C.F.R. 200.319

2 C.F.R. 200.320

2 C.F.R. 200.343(b)&(e)

[2 C.F.R. 200.415](#)

[2 C.F.R. 200.501](#)

Compliance Supplement for Single Audits of State and Local Governments

F.S. 1001.42

F.S. 1001.51

Adoption Date: 05.11.2011



Book	Policy Manual
Section	January 15, 2025 - <u>Final</u> Reading
Title	<b>INTERNAL CONTROLS</b>
Code	6111
Status	<u>Final</u> Reading

#### 6111 - **INTERNAL CONTROLS**

The Superintendent shall establish, [document](#), and maintain effective internal controls over Federal, State, and local awards that provide reasonable assurance that the District is managing all awards in compliance with [the U.S. Constitution, applicable](#) Federal, State, and local statutes, laws, regulations, and the terms and conditions of the awards. The process will provide reasonable assurance that the following objectives will be achieved:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

[These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission \(COSO\).](#)

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and reports; maintain accountability over assets; and demonstrate compliance with Federal, State, and local statutes, laws, regulations, and the terms and conditions of the awards. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal, State, and local statutes, laws, regulations, and the terms and conditions of the award that could have a direct and material effect on an award, as well as any other Federal, State, and local statutes, laws and regulations that are identified

in the compliance supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal, State, and local funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The District shall:

- A. comply with [the U.S. Constitution](#), Federal, State, and local statutes, laws, regulations, and the terms and conditions of the [Federal awards](#);
- B. monitor its compliance with statutes, laws, regulations, and the terms and conditions of the award;
- C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- ~~D.~~ take reasonable [cybersecurity and other](#) measures to safeguard protected [information, including](#) "personally identifiable information" (PII) and other information the awarding agency or pass-through entity designated as sensitive or the District considers sensitive consistent with applicable Federal, State, local, and tribal laws and District policies regarding privacy and obligations of confidentiality.

PII is [defined at 2 C.F.R. 200.1](#) as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual." However, PII is not ~~anchored-attached~~ to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified". See 2 C.F.R. 200.79.

© Neola 2016

Legal References:

2 C.F.R. 200.~~61-61, 200.79~~1,  
[2 C.F.R. -200.303](#)

Adoption Date: 10.05.2016



Book	Policy Manual
Section	January 15, 2025 - <u>Final</u> Reading
Title	<b>CASH MANAGEMENT OF GRANTS</b>
Code	6112
Status	<u>Final</u> Reading

#### 6112 - **CASH MANAGEMENT OF GRANTS**

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

Payment methods shall minimize the time elapsing between the transfer of funds from the ~~United States Treasury~~Federal agency or the Florida Department of Education (FLDOE) (pass-through entity) and disbursement, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The forms and procedures required by the grantor agency or pass-through entity to request payment shall be used. Grant funds payments shall be requested in accordance with the provisions of the grant. Additionally, the School Board's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

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

When a cash advance payment method is used, the following standards shall apply:

A. The timing and amount of the advance payment requested ~~will~~must be as close as is administratively feasible to the actual disbursements by the District for direct program or project costs and the proportionate share of any allowable indirect costs.

B. Timely payments shall be made to contractors in accordance with contract provisions.

~~B.C.~~ Whenever possible, advance payment requests by the District must be consolidated to cover anticipated cash needs for all Federal awards received by the recipient from the awarding Federal agency or FLDOE.

~~C.D.~~ To the extent~~if~~ available, funds must be disbursed from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on ~~such~~ Federal funds before requesting additional cash payments.

~~D.E.~~ Receipt, obligation, and expenditure of funds shall be accounted for appropriately.

~~E.F.~~ Advance payments shall be deposited and maintained in insured or collateralized accounts whenever possible.

G. Advance payments shall be maintained in interest bearing accounts unless one of the following applies:

1. The recipient or subrecipient receives less than \$250,000 in Federal funding per year;

2. The best available interest-bearing account would not reasonably be expected to earn interest in excess of \$500 per year on Federal cash balances;

3. The depository would require an average or minimum balance so high that it would not be feasible with the expected Federal and non-Federal cash resources;

4. A foreign government or banking system prohibits or precludes interest-bearing accounts; or

5. An interest-bearing account is not readily accessible (for example, due to public or political unrest in a foreign country).

F. \_\_\_\_\_.

H. Pursuant to Federal law and regulations, interest earned may be retained in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal ~~advance payments deposited in interest-bearing accounts must be remitted~~ funds must be returned annually to Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Clearing House (ACH) network or a Fedwire Funds Service payment ~~the granting agency~~.

I. All interest in excess of \$500 per year must be returned to PMS regardless of whether the District was paid through PMS. Instructions for returning interest can be found at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.

J. All other Federal funds must be returned to the payment system of the Federal agency. Returns should follow the instructions provided by the Federal agency. All returns to PMS should follow the instructions provided at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.  
G.

© Neola 2016

Legal References:  
2 C.F.R. 200.305

Adoption Date: 10.05.2016



Book Policy Manual  
Section January 15, 2025 - Final Reading  
Title **COST PRINCIPLES FOR FEDERAL FUNDS**  
Code 6114  
Status Final Reading

#### 6114 - **COST PRINCIPLES FOR FEDERAL FUNDS**

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

##### I. **Cost Principles**

[A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.](#) Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

- 1. whether a cost is ~~a type~~ generally recognized as ordinary and necessary for the operation ~~of the District~~ or the proper and efficient performance of the Federal award;
- 2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State,

local, tribal and other laws and regulations;

3. market prices for comparable ~~goods or services~~costs for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances prevailing at the time the decision was made to incur the cost, considering their responsibilities to the District, its employees, its students, the public at large and the State, Federal, and/or local governments; and
5. ~~whether~~ the degree to which the cost represents any significant deviation from established ~~practices or~~policies and procedures for incurring costs~~y which may unjustifiably increase the expense.~~

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. The expenditure must be demonstrably necessary to achieve an important program objective and address an existing need.

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

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

A cost is allocable to the Federal award if the ~~goods or services involved are chargeable or cost is~~ assignable to the ~~the~~ Federal award or cost objective in accordance with the relative benefit received.

This standard is met if the cost:

1. is incurred specifically for the Federal award;
2. ~~benefits both the Federal award and other work of the District and can be distributed in proportions that may be approximated using reasonable methods; or~~
- 2-3. ~~and,~~ is necessary to the overall operation of the District and is assignable in part to the Federal award in accordance with these cost principles ~~mentioned here~~.

- B. Conform to any limitations or exclusions set forth in the cost principles in 2 C.F.R. Part 200 or in the terms and conditions of the Federal award, including prohibitions ~~regarding costs incurred for telecommunications and video surveillance services or equipment on obligating or expending federal funds to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition also applies to~~

funds generated as program income, indirect cost recoveries, or to satisfy cost share requirements.

6. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other School Board activities.

- D. Be accorded consistent treatment. A cost cannot be allocated to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a Federal award as an indirect cost under another award.
- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets, with "applicable credits" referring to those transactions that offset or reduce direct or indirect costs allocable to the Federal award (e.g., purchase discounts; rebates or allowances; recoveries or indemnities on losses; insurance refunds or rebates, and adjustments of overpayments or erroneous charges). To the extent that such credits accruing to or received by the District relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.
- G. Not be included as a match or cost-share requirements of any other Federally-financed program in either the current or a prior period, unless the specific Federal program authorizes Federal costs to be treated as such.
- H. Be adequately documented as follows in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.:
  - 1. In the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant-funded programs to assure that only permissible personnel expenses are allocated;
  - 2. In the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear. Costs must be incurred during the approved budget period.
- ~~I. Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency. All other~~ Costs must be incurred during the approved budget period-
- ~~—~~ The budget period means, defined as the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to incur financial

~~obligations of carry-out authorized work and expend~~ the funds awarded, including any funds carried forward or other revisions pursuant to ~~the~~ [law 2 C.F.R. 200.308](#). Prior written approval from the Federal [awarding](#) agency or state pass-through entity may be required to carry forward unobligated balances to subsequent budget periods, unless waived.

---

## II. Selected Items of Cost

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

The following rules of allowability must apply to equipment and other capital expenditures:

- A. Capital expenditures for general-purpose equipment, buildings, and land are ~~un~~allowable as direct charges, except but only with the prior written approval of the Federal ~~awarding~~ agency or pass-through entity.
- B. Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$~~105~~,000 or more have the prior written approval of the Federal ~~awarding~~ agency or pass-through entity.
- C. Capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life are ~~un~~allowable as a direct cost, except but only with the prior written approval of the Federal ~~awarding~~ agency, or pass-through entity.
- D. All Federally-funded contracts in excess of \$2,000 related to construction, alteration, repairs, painting, decorating, etc. must comply with Davis-Bacon prevailing wage requirements.
- E. Allowability of depreciation on buildings, capital improvements, and equipment shall be in accordance with 2 C.F.R. 200.436 and 2 C.F.R. 200.465.
- F. When approved as a direct cost by the Federal awarding agency or pass-through entity, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the Federal ~~awarding~~ agency.
- G. The District may claim the unamortized portion of any equipment written off as a result of a change in capitalization levels by continuing to claim the otherwise allowable depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency for indirect cost.

G. If the District is instructed by the Federal ~~awarding~~ agency to otherwise dispose of or transfer the equipment, the costs of such disposal or transfer are allowable.

H. \_\_\_\_\_

I. Equipment and other capital expenditures are unallowable as indirect costs.

Statutory requirements may limit the allowability of costs. Any costs that exceed the maximum amount allowed by statute may not be charged to the Federal award. Only the amount allowable by statute may be charged to the Federal award.

Payments made for costs determined to be unallowable by the Federal agency, cognizant agency for indirect costs, or pass-through entity must be refunded (with interest) to the Federal Government.

### III. Prior Written Approval

To avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the District may seek the prior written approval of the Federal agency (or, for indirect costs, the cognizant agency for indirect costs) before incurring the cost. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that cost unless prior approval is specifically required for allowability.

### ~~III~~.IV. **Cost Compliance**

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs, but may not be double charged or inconsistently charged as both.

### V. Determining Whether a Cost is Direct or Indirect

The association of costs with a Federal award (rather than the nature of the procurement transaction) determines whether costs are direct or indirect. Costs incurred for the same purpose in like circumstances must be treated consistently as direct or indirect.

### ~~IV~~.

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

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

may also include capital expenditures if approved by the Federal agency or pass-through entity, as well as capital expenditures for special purpose equipment with a unit cost of less than \$10,000.

If a cost benefits two (2) or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

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

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

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

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

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

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Florida Department of Education (FLDOE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation). Any limitation or statutory cap on administrative costs applies to the combined claims for indirect costs and direct administration costs.

#### V. **Timely Obligation of Funds**

Financial obligations are orders placed for property and services, contracts and subawards made, and similar transactions that require payment under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award. ~~The term "financial obligations" is used when referencing a recipient's or subrecipient's use of funds under a Federal award.~~

~~The following table illustrates when f~~unds are determined to be obligated under the U.S. Department of Education regulations when the obligation is for:

~~If the obligation is for:~~

- A. Acquisition of property - on the date which the District makes a binding written commitment to acquire the property.
- ~~B.~~ Personal services by an employee of the District - when the services are performed.

- C. Personal services by a contractor who is not an employee of the District - on the date which the District makes a binding written commitment to obtain the services.
- D. Performance of work other than personal services - on the date when the District makes a binding written commitment to obtain the work.
- E. Public utility services - when the District receives the services.
- F. Travel - when the travel is taken.
- G. Rental of property - when the District uses the property.
- H. A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

#### VI. **Period of Performance**

All financial obligations must occur during the "period of performance," defined as the time interval between the start and end date of a Federal award, which may include one (1) or more budget periods. Identification of the period of performance shall be specific to the Federal award and consistent with 2 C.F.R. 200.211 and does not commit the Federal agency to fund the award beyond the currently approved budget period. ~~Period of performance means the total estimated time interval between the start of an initial Federal award when the District is permitted to carry out the work authorized by the grant and the planned end date. The period of performance may include one or more funded portions or budget periods.~~ The ~~p~~Period of performance is dictated by statute and will be indicated in the grant award notification (GAN). As a general rule, State-administered Federal funds are available for obligation within the year for which Congress appropriates the funds. However, the period of performance may vary by grant.

If a Federal agency or pass-through entity approves an extension, or if the District extends under C.F.R. 200.308(e)(2), the period of performance will be amended to end at the completion of the extension. If a termination occurs, the period of performance will be amended to end upon the effective date of termination. If a renewal is issued, a distinct period of performance will begin.

#### ~~VI.~~ **Pre-award Costs**

Pre-award costs are those incurred prior to the effective date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the

extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by the Federal awarding agency or pass-through entity.

VII.

## VIII. Liquidation of Funds

All grant funds shall be liquidated in accordance with timelines required by federal and state regulations, unless an extension is explicitly authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the [awarding](#) agency. Consequently, the District shall closely monitor grant spending throughout the grant cycle.

Revised 03.17.2021

Revised 01.18.2023

© **Neola 2022**

Legal References:

2 C.F.R. 200.344(b)

2 C.F.R. 200.403

2 C.F.R. 200.404

2 C.F.R. 200.405

2 C.F.R. 200.406

2 C.F.R. 200.413(a)-(c)

2 C.F.R. 200.430(a)

2 C.F.R. 200.431(a)

2 C.F.R. 200.458

34 C.F.R. 75.703

34 C.F.R. 76.707

34 C.F.R. 76.708(a)

Adoption Date: 10.05.16



Book	Policy Manual
Section	January 15, 2025 - <u>Final</u> Reading
Title	<b>PROCUREMENT – FEDERAL GRANTS/FUNDS</b>
Code	6320.07
Status	<u>Final</u> Reading

#### 6320.07 - **PROCUREMENT – FEDERAL GRANTS/FUNDS**

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

##### I. **Contracting**

The Superintendent shall have and use a procurement and contract administration system in accordance with Federal requirements (2 C.F.R. 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain oversight that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the District's documented general purchasing Policy 6320.

The District shall take affirmative steps to assure that vendors certified pursuant to Board Policy 6320.02, and applicable labor surplus area firms, are used when possible in accordance with 2 C.F.R. 200.321.

[No employee, officer, agent, or Board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or Board member, any member of their immediate family, their partner, or an organization that 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 an entity considered for a contract. All Board members. District employees, officers, and agents who have purchasing authority shall also abide by the standards of conduct covering conflicts of interest and governing the actions of ~~its~~ employees, officers, ~~and~~ agents, and Board members engaged in the selection, award, and administration of contracts as established in Bylaw 0141.2 and Policies 1129, Policy 3129, and Policy 4129—, *Conflict of Interest*.

The District will avoid acquisition of unnecessary or duplicative items. ~~Additionally, c~~Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. ~~And, where~~When appropriate, an analysis shall be made of between leasing ~~versus and~~ ing property or equipment e 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.

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

## II. Competition

All procurement transactions ~~for the acquisition of property or services required~~ under a Federal award paid for from Federal funds or District matching funds shall be conducted in a manner that ~~encourages~~ provides full and open competition and that is in accordance with 2 C.F.R. Part 200, good administrative practice, and sound business judgment. ~~In order to promote~~ To ensure objective contractor performance and eliminate unfair competitive advantage, the District shall exclude from competition any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids ~~or requests for proposals~~ for such competition.

~~Some of the~~ Examples of situations ~~considered to be restrictive of that may restrict~~ competition include, but are not limited to, ~~the following~~:

- A. unreasonable requirements on firms ~~in order~~ for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;
- C. noncompetitive pricing practices between firms or between affiliated companies;
- D. noncompetitive contracts to consultants that are on retainer contracts;
- E. organizational conflicts of interest;
- F. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- G. any arbitrary action in the procurement process

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

To the extent that the District uses a pre-qualified list of persons, firms, or products to acquire goods and services that are subject to this policy, the pre-qualified list is open to qualified sources to promote maximum open and free competition. The District shall require that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and shall take steps to ensure maximum open and free competition from qualified sources. The District shall not preclude potential bidders from qualifying during the solicitation period.

### III. Procurement Methods

The District shall have and use documented procurement procedures, consistent with Board Policy 6320 and the standards described herein. All Requests for Proposals (RFPs) and Invitations to Bid (ITBs) shall be opened publicly in accordance with F.S. 287.057.

### IV. Solicitation Language (Purchasing Procedures)

The District shall have written procurement procedures (in accordance with 2 C.F.R. 200.319(b)) that require that all solicitations made pursuant to this policy incorporate a clear and accurate description of the technical requirements for the material, product, property, equipment, or service to be ing procured. Such The description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, productproperty, equipment, or service to be procured. and, wWhen necessary, the description shall must set forth those minimum essential characteristics and standards to which it the property, equipment, or service shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

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

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

## V. Domestic Preference for Procurement

As appropriate and to the extent consistent with law, the District shall, to the extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. (see 2 C.F.R. 200.322; 7 C.F.R. 210.21(d)) If a non-domestic agricultural product is to be provided, the vendor must obtain written approval in advance for the product to be used. Such requirements shall be included in all subawards, contracts, and purchase orders including all contracts and purchase orders for work or products under the Federal award.

## VI. Procurement of Recovered Materials

The District must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6962. These requirements include:

- A. procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000;
- B. procuring solid waste management services in a manner that maximizes energy and resource recovery; and
- C. establishing an affirmative procurement program for the procurement of recovered materials identified in the EPA guidelines.

The District should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products.

~~V.~~

## ~~VI.~~VII. Contract/Cost or Price Analysis

The District shall perform a cost or price analysis for every procurement transaction, including contract modifications, in excess of the Simplified Acquisition Threshold established under Federal law. The method and degree of analysis conducted depend on the facts surrounding the particular procurement transaction. For example, the District should consider potential workforce impacts in their analysis if the procurement transaction will displace public sector employees. However, as a starting point, the District

must make independent estimates before receiving bids or proposals in connection with every procurement action in excess of \$250,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements. The District must not use the "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that the costs incurred or cost estimates included in negotiated prices would be allowable for the District according to cost principle requirements.~~The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District shall come to an independent estimate prior to receiving bids or proposals.~~

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

#### ~~VII.~~ **Time and Materials Contracts**

The District uses 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-Because~~ this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight ~~in order to~~ obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

#### ~~VIII.~~ **Suspension and Debarment**

The District will award contracts only to responsible contractors ~~possessing that possess~~ the ability to perform successfully under the terms and conditions of the proposed ~~procurement contract~~. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as (1) contractor integrity; (2) ~~compliance with~~ public policy; (3) ~~compliance;~~ (4) ~~proper classification of employees;~~ (5) record of past performance; and (6) ~~4~~ financial and technical resources.

~~The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. (See also Board Policy 6320.04) The District is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 C.F.R. Part 180.~~

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

~~Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. chapter 1). A person so excluded is debarred. (2 C.F.R. Part 180 Subpart H)~~

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over the established threshold, the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at [www.sam.gov](http://www.sam.gov); collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 C.F.R. Part 180 Subpart C)

|

IX.

X. **Maintenance of Procurement Records**

The District shall maintain records sufficient to detail the history of all procurements, in accordance with the application retention period in the Records Retention Schedule of the Florida Department of State, Bureau of Archives and Records Management, or in 2 C.F.R., Part 200 as applicable to federal grant funds, whichever is longer. 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, and the basis for the contract price (including a cost or price analysis if applicable).

XI. **Record Retention**

The District must retain all Federal award records for three (3) years from the date of submission of the final financial report. For awards that are renewed quarterly or annually, the District must retain records for three (3) years from the date of submission of the quarterly or annual financial report, respectively. Records to be retained include, but are not limited to, financial records, supporting documentation, and statistical records. Other records retention requirements shall be in accordance with 2 C.F.R. 200.334.

~~IX.~~

Revised 04.20.2023

© **Neola 2020**

Legal References:

F.S. 287.057

2 C.F.R. 200.317-.326

[2 C.F.R. 200.334-.336](#)

Appendix II to Part 200

2 C.F.R. 200.520

2 C.F.R. 3485.220

7 C.F.R. 210.21

Adoption Date: 03.17.2021