

**New York State Department of Education
Office of Student Support Services
21st Century Community Learning Centers**

Fiscal Policies and Procedures Template

This template provides the framework for creating policies and procedures related to the administration of the 21st Century Community Learning Centers (21st CCLC) federal education program. Specifically, it contains the internal controls and grant management standards non-federal entities must use to ensure that all federal funds, including 21st CCLC funds are lawfully expended. It describes in detail financial management standards, including appropriate cash management procedures; allowability rules; procurement policies; property management protocols; and record retention requirements.

This document is designed to serve as a template for an entity to use when developing its own policies and procedures. This template does not include all compliance requirements and is meant to be a starting point and a reference guide for non-federal entities as they begin to draft policies and procedures that are unique to the specific circumstances of their organization.

Non-federal entities must edit this document to reflect their own policies and procedures.

Introduction

This manual sets forth the policies and procedures used by [insert Agency/District name] to administer federal funds. The manual contains the internal controls and grant management standards used by the Agency/District to ensure that all federal funds are lawfully expended. It describes in detail the Agency/District's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities. New employees of the Agency/District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the Agency/District's rules and practices.

I. Financial Management System

The Agency/District maintains a proper financial management system in order to receive federal education grants and to expend funds associated with a grant award.

A. Financial Management Standards

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

Identification of Awards - The Agency/District must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification must include, as applicable, the CFDA title and number (for 21st CCLC it is Title IV Part B #84287), federal award identification number and year (For 21st CCLC the project number is 0187-XX-XXXX-add your assigned project number where X's appear), and name of the federal agency (For 21st CCLC it is the US Department of Education, and, if applicable, name of the pass-through entity (For 21st CCLC it is the New York State Education Department).

Financial Reporting - Accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).

Accounting Records - The Agency/District must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations,

unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

Internal Controls - Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The Agency/District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

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

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with grant program and to further the Selected objectives; and
- Compliance with applicable laws and regulations.

Budget Control - Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

Cash Management - The Agency/District must maintain written procedures to implement the cash management requirements found in EDGAR.

Allowable Costs - The Agency/District must maintain written procedures for determining allowability of costs in accordance with EDGAR.

B. Accounting Records

[Describe how accounting records are kept. What office is responsible for maintaining accounting records, subject to whose review and approval? How are journal entries made? Is there a chart of accounts that provides the framework for the accounting system?]

Budget Control

Expenditures must be aligned with approved budgeted items. The Agency/District monitors its financial performance by comparing and analyzing actual results with budgeted results. [Insert a description of how this is done. Are there reports which compare actual expenditures to budgeted amounts? How often are these reports generated? What happens when there is a significant difference?]

Amending the Budget

The Agency/District will obtain any approvals, as required, for any changes or variations from approved budgets and grant applications. [In this section, describe the process for amending the budget and who is involved. Address the process for reviewing and finalizing any budget amendments, as well as any notification, formal approval, and/or documentation that must be created or maintained.]

Following the Agency/District processes, the Agency District must then receive approval from New York State Education Department (NYSED), the non-federal awarding agency as per [guidance](#).

Form **FS-10-A - Proposed Amendment for a Federal or State Project** is used to:

- Request prior approval from SED for budget changes to federal or state funded grants.
- Enable both the local agency and SED to maintain an accurate and up-to-date record of approved changes in a budget.

Instructions:

- The following changes to a budget must receive prior approval from SED:
 - An increase in any budget category (salaries, purchased services, travel, etc.) by more than 10 percent or \$1,000, whichever is greater.
 - Addition of equipment items having a unit value of \$5,000 or more.
 - Material changes to personnel positions.
 - Addition of minor remodeling.
 - An increase in the total budget amount.
- The FS-10-A may be submitted at any time between the date the grant receives the written approval of SED and the approved termination date of the grant as long as prior approval requirements are met. However, SED program managers may set an earlier final date for submittal of budget amendment forms. Please check with the appropriate program office regarding possible deadlines.
- The date of receipt of an amendment is the earliest possible funding date for encumbrances based on that amendment. Amendments may not be submitted after the grant's end date.
- Amendments should be submitted directly to the SED office responsible for program administration. Approved amendments are then forwarded to Grants Finance. The necessary changes will be made to Grants Finance records and a copy of the approved amendment will be returned to the local agency.
- Use Form FS-10-A for all amendments regardless of whether original budget was submitted on Form FS-10 or FS-20.

C. Allowability of Costs

When determining how the Agency/District will spend its grant funds, [insert department or offices] will review the proposed cost to determine whether it is an allowable use of federal grant funds. All costs supported by federal education funds must meet the standards outlined in EDGAR 2 CFR §200, which are provided in the bulleted list below. Agency/District must consider these factors when making an allowability determination.

- **Be Necessary and Reasonable for the performance of the federal award.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the Agency/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 Agency/District, its employees, its students, the public at large, and the federal government.
- Whether the Agency/District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 CFR §200.404

A cost is necessary based on the needs of the 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 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. 2 CFR §200.405.
- **Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the Agency/District.**

- **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 CFR §200.406.

Selected Items of Cost

Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. If an item is unallowable for any reason, federal funds cannot be used to purchase it.

Agency/District personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section.

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

Likewise, it is possible for the State and/or Agency/District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., 21st CCLC program) along with accompanying program regulations, non-regulatory guidance and grant award notifications.

Frequent Types of Costs

Travel: 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 CFR §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 Agency/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 Agency/District's established policy. 2 CFR §200.474(b).

[The above discusses the federal allowability rules for travel costs. New York State policy appears below. Additionally, the Agency/District must have written travel policies in order for travel costs to be allowable.]

***In New York State,
Travel Expenses (Code 46)***

Actual expenses claimed against a grant are limited to the maximum amounts authorized by local participant agency policy. For agencies where such written policy does not exist, expenditures are allowed at no more than the state-approved maximum travel rates that were in effect at the time the travel occurred.

When local agencies provide their own school bus transportation for a project, reimbursements shall be limited to the approved rate per mile for operational costs. Only the salaries of individual bus drivers and monitors will be allowed in addition to such costs. The salaries should be budgeted and claimed under Code 16, Salaries for Support Staff.

Direct and Indirect Costs

Determining Whether a Cost is Direct or Indirect: Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 CFR § 200.413(a). 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. 2 CFR § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 CFR § 200.413(a).

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:

- Administrative or clerical services are integral to a project or activity;

- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- The costs are not also recovered as indirect costs. 2 CFR § 200.413(c).

Indirect Cost Rate: [If the Agency/District has an indirect cost rate, use this section to describe the rate and the negotiation process. 34 CFR § 76.561.]

Indirect Costs (Code 90)

Indirect costs can be broadly defined as central administrative costs and certain other organization-wide costs that are incurred in connection with a grant but that cannot readily be identified with the grant (e.g., payroll preparation, central purchasing). Indirect costs generated for a grant is calculated by applying the local agency's indirect cost rate to the modified direct cost base of the grant. These funds are used to support the central administrative costs.

The modified direct cost base is the total direct costs of a grant less equipment, minor remodeling, purchased services with a BOCES, the portion of each subcontract exceeding \$25,000, and any flow through funds.

The approved rate is applied against the modified direct cost base and results in an amount available for indirect cost purposes. However, the maximum rate allowable for individual grants may be set by statute, regulations or may be negotiated downward by NYSED.

The amount of actual reimbursement of indirect costs is computed by applying the approved rate to actual modified direct cost base expenditures. If actual modified direct cost base expenditures are less than those budgeted, the amount of indirect cost funds reimbursed will be reduced accordingly.

Two types of indirect cost rates are used with programs funded through NYSED:

- *Restricted Rate - The restricted rate is applicable to all state programs and those federal programs with regulatory language requiring funds to supplement, not supplant state and local funds (e.g., Title I and Title IV Part B 21st CCLC program). Restricted rates generally range from one to seven percent.*
- *Non-restricted Rate - The non-restricted rate is applicable to those federal programs that do not have supplement, not supplant provisions (e.g., National School Lunch Program, School Breakfast Program). Non-restricted rates generally range from 10 percent to 25 percent.*

The procedure to compute indirect cost rates vary depending on the type of local educational agency, as follows:

- *School Districts - Indirect cost rates for school districts are computed annually by Grants Finance on the basis of data contained in each district's Annual Financial Report (Form ST-3). Districts are then notified of the rates to be used during the subsequent program year.*
- *BOCES - Indirect cost rates for BOCES are computed annually by Grants Finance on the basis of data contained in the BOCES Annual Financial Report (Form SA-111). BOCES are then notified of the rates to be used during the subsequent program year.*
- *Other Agencies - Local agencies other than school districts and BOCES may negotiate indirect cost rates through their federal cognizant agency. However, in cases where a restricted rate has not been established, a local agency may use the restricted rate that is established each year by NYSED for other agencies.*

Applying the Indirect Cost Rate: Once the Agency/District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. 34 CFR §76.569. Once the Agency/District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. Where

a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges. New York's 21st CCLC program requires that sub-recipients' administrative costs not exceed ten percent of their budget total.

Indirect Cost Cap¹

*LEAs and not-for-profits may include indirect costs in the budget. For-profits **cannot** include indirect costs. Indirect costs are costs of activities that benefit more than one program or objective and, therefore cannot be readily assigned to only one specific program or objective. Indirect costs are generally classified under functional categories such as general maintenance and operation expenses, general office and administration expenses, general overhead expenses and other allowable general expenses.*

- **School districts and BOCES** must use the restricted indirect cost rates calculated by the State Education Department.
- **Community-Based Organizations (CBOs), Charter Schools and Municipalities** must prepare their budgets using an indirect cost rate of up to 2.6 percent. If they are notified that they have been selected to receive a 21st Century funding award, they may apply for a higher indirect cost rate of up to 8 percent, bearing in mind the 10% administrative cap, by completing and submitting an FS-87-R Form to the Department. Note that approval for a higher indirect cost rate must be requested and approved each year. The Form may be obtained by calling Grants Finance at 518-474-4815.
- **Colleges and Universities** may use an indirect cost rate of up to 8 percent.

D. Federal Cash Management Policy/Procedures

The Agency/District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the Agency/District, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. The Agency/District receives payment from the [New York State Education Department on a reimbursement basis. 2 CFR § 200.305.

The availability and amount of first payments vary due to statutory, regulatory or policy requirements; In New York State, 21st CCLC sub grantees receive an automatic first payment of 20% if they are a non-profit organization. For profit entities do not receive the 20% advance.

To request funds from a particular grant, local agencies must submit a [Form FS-25 Request for Funds](#). The amount of funds requested at any one time may only include actual expenditures to date. While there is no requirement to submit the form once a month NYSED recommends that you submit the FS-25 on a regular basis to aid in the management of grant funds.

However, if the Agency/District receives an advance in federal grant funds, the Agency/District will remit interest earned on the advanced payment quarterly to the federal agency. The Agency/District may retain interest amounts up to \$500 per year for administrative expenses. 2 CFR § 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

¹ 21st CCLC Round 7 RFP #GC17-001 p. 21

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.

Any additional interest earned on federal advance payments deposited in interest-bearing accounts, that are above the \$500 threshold, must be remitted annually to the Department of Health and Human Services [Payment Management System](#) (PMS).

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 Agency/District will initially charge federal grant expenditures to nonfederal funds.

The Agency/District [[Grant Accountant/Business Manager](#)] will request reimbursement for actual expenditures incurred under the federal grants. NYSED does not require, but recommends requesting reimbursement monthly if possible. Reimbursement requests will be submitted to the New York State Education Department via Office of Grants Finance. All reimbursements are based on actual disbursements, not on obligations.

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

Advances: To the extent the Agency/District receives advance payments of federal grant funds, the Agency/District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. The Agency/District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The Agency/District will begin to calculate interest earned on cash balances once funds are deposited into the Agency/District's account.

E. Timely Obligation of Funds

When Obligations are Made

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period. 34 CFR § 200.71

The following table illustrates when funds are determined to be obligated under federal regulations:

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

34 CFR §76.707.

Period of Performance of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. 2 CFR § 200.309. This period of time is known as the period of performance. 2 CFR § 200.77. The period of performance is dictated by statute and will be indicated in the GAN. Further, certain grants have specific requirements for carryover funds that must be adhered to.

The Agency/District must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period unless an extension is authorized. 2 CFR § 200.343(b). Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. 2 CFR § 200.343(d). Consequently, the Agency/District closely monitors grant spending throughout the grant cycle.

II. Procurement System

A. Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 CFR §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:

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

EDGAR further requires the following to ensure adequate competition.

B. Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased.

[The following describes the five procurement methods allowed under federal law. While the federal rules provide a basic structure for each procurement method, the entity must have documented procurement policies which provide detail on the process by which all purchases are made.]

Purchases up to \$10,000 (Micro-Purchases)

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed \$10,000. 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 supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the Agency/District distributes micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the Agency/District considers the price to be reasonable.

Purchases between \$10,000 and \$250,000 (Small Purchase Procedures)

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$250,000. If small purchase procedures are used, price or rate quotations are obtained from an adequate number of qualified sources.

Purchases Over \$250,000

Sealed Bids (Formal Advertising): For purchases over \$250,000, bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publicly advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- A firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder.

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

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

- 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;
- Proposals must be solicited from an adequate number of qualified sources; and
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

[For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients. Use this section to describe this method.]

Contract/Price Analysis: The Agency/District performs a cost or price analysis in connection with every procurement action in excess of \$250,000, including contract modifications 2 CFR § 200.323(a). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

Noncompetitive Proposals (Sole Sourcing)

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

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Agency/District; or
- After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$250,000.

C. Purchase Cards

[If the Agency/District uses purchase cards, insert purchase card policy here. Describe what positions are provided with a procurement card. Provide detail on what types of purchases can be made (e.g., gas, hotels or other travel expenses) and the maximum amount that can be charged. Describe the documentation that must be maintained for purchases made with purchase cards.]

D. Federal Procurement System Standards

Geographical Preferences Prohibited

The Agency/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.

Prequalified Lists

The Agency/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 Agency/District must not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

The Agency/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. 2 CFR § 200.319(c).

Debarment and Suspension

The Agency/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.

The Agency/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 Agency/District verifies that the vendor with whom the Agency/District intends to do business with is not excluded or disqualified. 2 CFR Part 200, Appendix II (1) and 2 CFR § 180.220 and 180.300.

Maintenance of Procurement Records

The Agency/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.

Settlements of Issues Arising Out of Procurements

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

[Insert Agency/District's protest procedures here.]

E. Conflict of Interest Requirements

Standards of Conduct

In accordance with 2 CFR §200.18(c)(1), the Agency/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. [Define terms like family and partner.]

The officers, employees, and agents of the Agency/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. The New York State Commission on Public Ethics considers an item that has a fair market value of \$15 or more to be a gift. Additional guidance can be found at <http://www.jcope.ny.gov>. An acceptable gift of nominal value might be an item such as a calendar or plastic water bottle.

The Commission is authorized pursuant to Executive Law §94 to investigate possible violations of Public Officers Law §73 and §74 and their corresponding regulations and take appropriate action as authorized in these statutes.

Organizational Conflicts

[If the Agency/District has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Agency/District must include written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 CFR §200.318(c)(2).]

Mandatory Disclosure

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

F. Contract Administration

The Agency/District maintains the following oversights to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. [Explain how this is done.]

III. Property Management Systems

A. Property Classifications

[The following property classifications are found in federal law. The Agency/District should include all relevant property definitions and revise to ensure property classifications are also in accordance with state and local law.]

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Agency/District for financial statement purposes, or \$5,000. 2 CFR §200.33.

Supplies means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Agency/District for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 CFR §200.94.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 CFR §200.20.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 CFR §200.12.

B. Inventory Procedure

[In this section, describe the inventory process procedures.]

C. Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained [insert how it is maintained]:

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title;
- Acquisition date and cost of the property;
- Percentage of federal participation in the project costs for the federal award under which the property was acquired;
- Location, use and condition of the property; and
- Any ultimate disposition data including the date of disposal and sale price of the property.

[Describe the process to adjust the inventory records in the event the property is sold, lost or stolen, or cannot be repaired.]

D. Physical Inventory

A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years. [Revise if state or local laws require a more frequent physical inventory.]

In accordance with 2 CFR §313(d)(4), the Agency/District maintains adequate maintenance procedures to ensure that property is kept in good condition. The Agency/District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. [Explain.]

E. Disposal of Equipment

When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, [insert name of position/office responsible] will contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

IV. Written Compensation Policies

A. Time and Effort

Time and Effort Standards

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

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

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

Time and Effort Procedures

[In this section, describe time and effort procedures. What type of documentation is maintained and what are the requirements of the documentation?]

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. [Explain reconciliation process to ensure accurate time is charged to the applicable federal program.]

Salaries (Codes 15 and 16) - Documentation of Personnel Costs

Documentation beyond regular payroll records is required for an employee who is funded by a federal grant program. If an employee works 100 percent of the time on a federal grant, the employee or a direct supervisor must complete time distribution certification at least once every six months. The certification will include the employee's name and position, the period of employment, and the name of the federal program. If an employee works on more than one federal grant program, on a federal grant and a State grant, or on a federal grant's direct cost and indirect cost activities, then personnel activity reports (PARs) must be completed monthly to document the distribution of time worked on the federal programs. PARs have to be completed after the work is done and be signed and dated by the employee. Time distribution certifications and PARs should be maintained with regular payroll records.

V. Record Keeping

A. Record Retention

The Agency/District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with federal program requirements. 34 CFR § 76.730-.731.

The U.S. Department of Education is authorized to recover any federal funds misspent within 5 years before the receipt of a program determination letter. 34 CFR § 81.31(c). Consequently, the Agency/District retain records for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 CFR § 200.333.

Records Retention

Supporting documentation for grants and grant contracts must be kept for at least six years after the last payment was made unless otherwise specified by program requirements. Additionally, audit or litigation will "freeze the clock" for records retention purposes until the issue is resolved. All records and documentation must be available for inspection by SED officials or its representatives.

B. Collection and Transmission of Records

[Insert description of how records are maintained. Are all records kept electronically? Are they also kept as paper copies? If so, are they kept on-site or off-site? How are records provided to awarding agencies to meet reporting requirements and to auditors and monitors? If the records

are kept electronically, 2 CFR 200.335 allows recipients to transmit them electronically, meaning there's no need to make paper copies.]

C. Privacy

[Describe the protections that the Agency/District has in place to ensure that the personal information of both students and employees is protected. For example, are there password policies that require frequent changes? Are employees trained on the requirements of the Family Educational Rights and Privacy Act (FERPA)? Are there any procedures in place for when a request for documentation is made to ensure that the person has the right to the documentation?]

For New York State law pertaining to privacy see [Education Law §2D](#)

VI. 21st Century

A. Purpose of the Program

The purpose of the 21st Century Community Learning Centers (CCLC) program is to provide opportunities for communities to establish or expand activities in community learning centers that:

- Provide opportunities for academic enrichment, including providing tutorial services to help students, particularly students who attend low-performing schools, to meet the challenging State academic standards;
- Offer students a broad array of additional services, programs, and activities, such as youth development activities, service learning, nutrition and health education, drug and violence prevention programs, counseling programs, arts, music, physical fitness and wellness programs, technology education programs, financial literacy programs, environmental literacy programs, mathematics, science, career and technical programs, internship or apprenticeship programs, and other ties to an in-demand industry sector or occupation for high school students that are designed to reinforce and complement the regular academic program of participating students; and
- Offer families of students served by community learning centers opportunities for active and meaningful engagement in their children's education, including opportunities for literacy and related educational development.

B. Assurances

As a subrecipient of 21st CCLC funds, the Agency/District assures that the program will take place in a safe and easily accessible facility. The program was developed and will be carried out in an active collaboration with the schools that participating students attend, all participants of the Agency/District, and any partners that the Agency/District included in its grant application. All 21st CCLC programs will be in alignment with the challenging State academic standards adopted by the New York State Education Department, as well as any local academic standards. The program will target students, and families of students, who primarily attend schools eligible for schoolwide programs under Sec. 1114 of Every Student Succeeds Act (ESSA).

All 21st CCLC funds will be used to increase the level of State, local, and other non-federal funds that would, in the absence of 21st CCLC funds, be made available for programs and activities authorized under the 21st CCLC program. In no case will 21st CCLC funds be used to supplant Federal, State, local, or non-federal funds.

C. Use of Funds

In addition to the allowability rules in subpart E of the Uniform Grant Guidance (2 CFR Part 200), the Agency/District will ensure that 21st CCLC funds are used on activities that advance student academic achievement and support student success, including, but not limited to:

- Academic enrichment learning programs, mentoring programs, remedial education activities, and tutoring services, that are aligned with—
 - Challenging State academic standards and any local academic standards; and
 - Local curricula that are designed to improve student academic achievement;
- Well-rounded education activities (as defined in Sec. 8101(52) of the Elementary and Secondary Education Act), including such activities that enable students to be eligible for credit recovery or attainment;
- Literacy education programs, including financial literacy programs and environmental literacy programs;
- Programs that support a healthy and active lifestyle, including nutritional education and regular, structured physical activity programs;
- Services for individuals with disabilities;
- Programs that provide after-school activities for students who are English learners that emphasize language skills and academic achievement;
- Cultural programs;
- Telecommunications and technology education programs;
- Expanded library service hours;

- Parenting skills programs that promote parental involvement and family literacy;
- Programs that provide assistance to students who have been truant, suspended, or expelled to allow the students to improve their academic achievement;
- Drug and violence prevention programs and counseling programs;
- Programs that build skills in science, technology, engineering, and mathematics (STEM), including computer science, and that foster innovation in learning by supporting nontraditional STEM education teaching methods; and
- Programs that partner with in-demand fields of the local workforce or build career competencies and career readiness and ensure that local workforce and career readiness skills are aligned with the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.) and the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

VII. Legal Authorities and Helpful Resources

The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the federal grant.

- [Education Department General Administrative Regulations \(EDGAR\)](#)
- [Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards \(2 CFR Part 200\)](#)
- [US ED's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards \(2 CFR Part 3474\)](#)
- [21st Century Community Learning Centers Legislation, Regulations, Guidance, and Non-Regulatory Guidance](#)
- New York State Education Department, [2017-2022 21st CCLC RFP #GC17-001](#)
- New York State Education Department, Office of Grants Finance, [General Guidelines](#)
- Agency/District regulations, rules, and policies
[Include links to (or reference citations to) Agency/District regulations, rules, and policies.]
- Organizational Chart
[Include an organizational chart as an attachment to this policy.]