

# **Oak Ridge Schools**

## **Policies and Procedures**



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Administration of Federal Education Programs

Aligned with the Requirements of the

New Uniform Grants Guidance

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Revised January 1, 2023

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## I. Introduction

This manual sets forth the policies and procedures used by Oak Ridge Schools System to administer Federal funds. The manual contains the internal controls and grant management standards used by the District to ensure that all Federal funds are lawfully expended. It describes in detail the 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 District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and practices. If you have any questions regarding the administration of Federal education grants, including questions related to specific Federal grant programs, please do not hesitate to contact the applicable program office at the Tennessee Department of Education (TDOE).

## **Waste, Fraud, and Abuse**

To ensure the public receives the most value, the District strives to ensure its administrative management of public, state, and federal funds is as effective and efficient as possible, with a high standard of accountability to prevent waste, fraud, and abuse.

All trustees, employees, vendors, contractors, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's financial resources.

The District prohibits fraud and financial impropriety, as defined below, in the actions of its trustees, employees, vendors, contractors, consultants, volunteers and others seeking or maintaining a business relationship with the District.

Fraud and financial impropriety includes, but is not limited to:

- Forgery or unauthorized alteration of any document or account belonging to the District;
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other District assets, including employee time;

- Impropriety in the handling of money or reporting of District financial transactions;
- Profiteering as a result of insider knowledge of District information or activities;
- Unauthorized disclosure of confidential or proprietary information to outside parties;
- Unauthorized disclosure of investment activities engaged in or contemplated by the District;
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District;
- Destroying, removing, or inappropriately using records, furniture, fixtures, or equipment;
- Failure to disclose conflicts of interest as required by policy; and
- Any other dishonest act regarding the finances of the District.

Any person who suspects fraud or financial impropriety shall report the suspicions immediately to any supervisor, the Superintendent of Schools or designee, a Board Chairperson, or local law enforcement.

### Authorized Official

The person signing/certifying the application must be an authorized official of the District (usually the Superintendent of Schools) who will represent the District in the event of a legal dispute. By signing/certifying the application, the authorized official is certifying that he or she will comply with the terms and conditions of the grant, all applicable provisions and assurances, and the approved application.

District program staff, fiscal staff, and management are responsible for knowing all requirements and for complying with them. It is the policy of the District that the grant program described in the application is carried out in compliance with applicable statutes, regulations, rules, and guidelines, and in accordance with the approved application to achieve maximum efficiency and effectiveness with the goal of providing an integrated, coordinated delivery of services for students. Grant funds will be obligated, expended, and accounted for in an environment based on ethical principles and sound business practices.

The District Program Director assigned to the grant program is responsible and held accountable for knowing the program requirements, fiscal requirements, and reporting requirements. In addition to the policies and procedures outlined in this manual, the program manager may be required to develop additional policies and procedures to comply with the specific requirements that may apply to a particular grant program. Any such additional policies and procedures must be used in conjunction with the policies and procedures outlined in this manual.

TDOE monitors federal grants for compliance with fiscal and program requirements. In addition, the District's independent auditor is required to determine compliance with certain requirements during the annual independent audit. Failure to comply with applicable statutes,

regulations, rules, and guidelines or to implement the grant program in accordance with the approved application could result in the District being identified as a high-risk grantee and having corrective actions or additional sanctions imposed by TDOE or other awarding agency; the repayment of federal dollars as a result of monitoring or audit findings; or termination of the grant.

### Other Federal Grants

The assigned program manager is responsible for monitoring grant opportunities that may be available from agencies other than TDOE. Approval from the Superintendent of Schools to pursue the grant opportunity must be obtained in advance of completing and submitting the application. An authorized official of the District (as previously described) must sign/certify the application prior to submittal.

Opportunities for federal grants available directly from the USDE or from another federal awarding agency are published in [www.grants.gov](http://www.grants.gov). Also see Board of Education Policy 2.400 for additional local requirements in applying for direct grants.

## **II. Financial Management System**

The District maintains a proper financial management system to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

### **A. Financial Management Standards**

The standards for financial management systems are found at [2 C.F.R. § 200.302](http://2.C.F.R. § 200.302). The required standards include:

#### ***Identification***

The District identifies, in its accounts, 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, Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and, if applicable, name of the pass-through entity.<sup>1</sup>

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<sup>1</sup> [2 C.F.R. § 200.302 \(b\) \(1\)](http://2.C.F.R. § 200.302 (b) (1))



## ***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).<sup>2</sup> For the District's internal financial reporting policy, see Oak Ridge Schools Financial Reports and Records Policy (BP 2.701).

## ***Records***

The District maintains records that identify adequately the source and application of funds for Federally funded activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and are supported by source documentation.<sup>3</sup>

The Superintendent of Schools or designee shall maintain financial records as required by regulation and applicable State and Federal law. The Board, from time to time, may determine to extend the retention time for certain records (BP 2.701).

## ***Internal Controls***

The District maintains effective control over and accountability for all funds, property, and other assets. The District adequately safeguards all such property and assures that it used solely for authorized purposes.<sup>4</sup>

"Internal controls" are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls are designed to provide reasonable assurance that the following objectives are achieved:<sup>5</sup>

- 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

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<sup>2</sup> [2 C.F.R. §200.302 \(b\) \(2\)](#); See also [2 C.F.R §200.327](#) *Financial reporting* and [200.328](#) *Monitoring and reporting program performance*.

<sup>3</sup> [2 C.F.R. §200.302 \(b\) \(3\)](#)

<sup>4</sup> [2 C.F.R. §200.302 \(b\) \(4\)](#)

<sup>5</sup> [2 C.F.R. §200.303](#)

- Compliance with applicable laws and regulations.

The District adheres to the internal controls inherent within the accounting procedures as established by the State of Tennessee for all school districts. The District adheres to the Internal Control and Compliance Manual for Tennessee Municipalities and follows GASB and FASB regulations relative to accounting process, procedures, and reporting. The Board of Education supports the establishment and effectiveness of District internal controls as indicated in Board Policies 2.10 through 2.900 through established efficient procedures for accounting, reporting, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

In addition, a robust structure for internal controls related to accounting, cash receipts, requisition entry, approvals, purchase orders, account clearances, check printing, payroll processing, and time-keeping approvals are established and maintained electronically through the existing finance and human resources accounting software. See Board of Education Policies 2.100 through 2.900 at <http://www.boardpolicy.net/?DivisionID=19501&ToggleSideNav>

Also, see Appendix B – Oak Ridge Schools Financial Internal Controls Overview

### ***Budget Control***

Actual expenditures or outlays must be compared with budgeted amounts for each Federal award.<sup>6</sup>

Individual Grant Directors within the District continually monitor department and building expenditures relative to federal allocations. The accounting system and procedures in place do not allow for overspending of budget allocations within the system. Financial software provides budgeted funds, amount/percentage spent to date, amount encumbered, and remaining amount available to spend at the time of all requisition entry and subsequent approvals.

Each Grant Director within the District reviews and compares E-plan and Skyward financial expenditure reports at least weekly to confirm budget to actual expenditure alignment with the federal grant. Frequent meetings are held to monitor expenditures and to ensure that they are within budgeted allotments. Transfers between line items occur with approvals from multiple offices. Monthly grant Financial Expenditure Summaries and Detail Reports are signed and approved by the Individual Grant Director and provided to the Business Office Grant Accountant by the 5<sup>th</sup> day of each month.

Prior to any purchases, the bookkeeper or grant assistant, in cooperation with the Grant Director is required to verify there are sufficient funds in the proper account code to purchase the item and also verify that the item being purchased has been approved in the grant application or

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<sup>6</sup> [2 C.F.R. §200.302 \(b\) \(5\)](#)

revision. All purchases are reviewed and approved by the Grant Director to double check the information and to ensure they are in compliance with applicable laws and regulations. This process is done electronically using Skyward, the school district's financial software, and E-Plan. There is a complete inventory taken and maintained by the Grant Bookkeeper or Grant Assistant to safeguard all property purchased through each specific grant.

In addition, See Appendix C – Oak Ridge Schools Financial Policy and Operations Manual.

### ***Cash Management***

The District maintains written procedures to implement the cash management requirements found in EDGAR.<sup>7</sup> See page 11 of the Oak Ridge Schools Internal Control Manual for these written cash management procedures.

### ***Allowable Costs***

The District maintains written procedures for determining allowability of costs in accordance with EDGAR.<sup>8</sup>

## **B. Overview of the Financial Management/Accounting System**

Oak Ridge Schools' financial platform is SKYWARD. The system interfaces with procurement, accounts payable, payroll, human resources, timekeeping, and budgeting. The budgets are loaded into the system after adoption and approval by all appropriate governing bodies. Account clearances and approval structure setup are maintained within the software for each department and grant program by the Business Office, providing limitations, user access, internal control and approval processes for all purchases and reporting.

## **C. Budgeting**

### ***The Planning Phase: Meetings and Discussions.***

The District organizes and identifies a LEA planning team who performs a comprehensive needs assessment analysis of Oak Ridge Schools. This process is ongoing, with formal meetings and

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<sup>7</sup> [2 C.F.R. §200.302 \(b\) \(6\)](#); See also [2 C.F.R. §200.305](#) *Payment*.

<sup>8</sup> [2 C.F.R. §200.302 \(b\) \(7\)](#); See also [2 C.F.R. §200.403](#) *Factors affecting allowability of costs*.

overarching budget development ideas beginning in November of each year. Guiding questions on e-Plan are used to facilitate the analysis and include a summary of:

- Compliance with District's five-year strategic plan. The planning team will link plans to the local school board's five-year strategic plan, State Board of Education's Master Plan, and the State's performance goals. Both school plans and school system plans will be used for accountability purposes;
- Accomplishments and what is working for students;
- Progress and challenges related to accountability achievement and gap targets, subject areas (RLA , Math, Science and Social Studies), growth data, ACT data, graduation rate, and other college and career readiness data; and
- Data sources related to school climate and culture.

The LEA planning team also prioritizes a list of needs which comprises the top three to five areas of need as identified through the needs assessment. The team determines goals that are aligned with the prioritized needs. Each grant is considered by the appropriate stakeholders evaluating requirements for participation and needs assessment in the Oak Ridge District. The costs are established and reviewed for accuracy and adequacy to attain the stated goals of the grant.

Finally, the LEA planning team submits a LEA plan to e-Plan to be reviewed by Tennessee Department of Education CORE offices.

Budget planning shall include an analysis of previous staffing, curriculum and facilities, and projections requiring additional staffing, curriculum modifications, and additional facilities.

After ePlan Approval:

The ePlan approved budget is incorporated into the school systems federal budget document.

The budget proposal should be balanced, consistent with Board policy and contract conditions, to include provisions for:

- Programs to meet the needs of the identified eligible students;
- Staffing arrangement adequate for proposed programs;
- Maintenance of the district's equipment and facilities; and/or
- Efficiency and economy.

Budget documentation shall be the responsibility of the stakeholder. The stakeholder will establish procedures for the involvement of staff, including requests from department heads and principals, all of whom shall seek advice and suggestions from other staff and faculty members. The appropriate information is presented to the Executive Director of Business & Operations.

### Reviewing and Approving the Budget:

The proposed budget and programs are presented by the Finance Director in a comprehensive budget document. The comprehensive budget document is approved for presentation to the School Board by the Superintendent of Schools. The proposed budget will be available for inspection by various interested citizens or groups in the office of the Superintendent of Schools.

The Oak Ridge School Board has an annual workshop for in depth discussion of programs and expenses. The School Board in session approves the budget for presentation to the City Council. The City Manager recommends the budget for presentation to the City Council. The City Manager recommends a tax rate and submits the school budget to the full City Council for approval. The City Council sets the tax rate and approves the school budget including federal programs for the upcoming fiscal year.

The Superintendent of Schools or designee shall file with the Commissioner of Education a copy of the budget within ten days after its adoption.

All school system budgets are the operational plans stated in financial terms which describe the programs to be conducted during the fiscal year beginning July 1 and ending June 30 the following year.

Once the City Council adopts the Board of Education approved budget, it is released to all stakeholders for implementation. Generally, the budget receives final approval by June 30 of each year. After approval, the budget is loaded into ePlan by the grant manager or their designee for approval by TDOE. Once TDOE reviews and approves the budget the Accounting Office will load the budget into Skyward.

### ***Amending the Budget***

The process for amending the budget is as follows:

- A revision is made in e-Plan by the Stakeholder and must be approved by the district fiscal representative, the state, and the Superintendent.
- Once the approval is returned as approved by TDOE, the Stakeholder works with the Finance Director to request incorporation of the revision into the financial records and budget amendments.
- Transfers within major budget categories shall be made at the discretion of the Superintendent and shall be recorded in the next monthly budget statement (BP 2.201).
- Line item transfers between functions shall be made upon the recommendation of the Superintendent and will require approval of the Board of Education (BP 2.201).

## ***Budget Control***

The District monitors its financial performance by comparing and analyzing actual results with budgeted results. The District continually monitors budget with actual expenditures. Budget versus Actual reports are generated often and timely when analyzing budgets for federal grants. Because the monitoring of grants is continuous, there are no significant differences.

The individual Federal Grant Directors will monitor the federal budget, expenditures, and remaining balances in ePlan and through Skyward financial reports and are responsible for compiling timely and accurate financial reports. A monthly grant Expenditure Summary and detail report for each grant will be reviewed and approved by each Federal Grant Director and submitted to the Business Office Grant Accountant by the 5<sup>th</sup> day of the following month.

Reports are provided monthly to the Oak Ridge Schools Board of Education that compare budgeted with actual expenditures. These reports are public record and can be accessed by anyone. In addition, specific reports are generated upon request. The school system grant accountant in the Finance Office analyzes the reports of comparisons monthly. If any potential area of concern is noted, the Superintendent and/or other involved are immediately notified to ensure no significant differences occur. The stakeholder is involved in developing necessary corrective actions which could include budget amendments, program reevaluation, and error correction.

## D. Accounting Records

The accounting records are kept in the District's financial management system by the Finance Office. Journal entries are made by the Finance Office after approval by the Finance Director. The framework for the accounting system is provided by a chart of accounts and includes the following types of accounts:<sup>9</sup>

- Assets
- Liabilities
- Equity
- Revenues
- Expenses

## E. Spending Grant Funds

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<sup>9</sup> See [Tennessee Uniform Chart of Accounts](#)

After the ePlan budget is approved, the financial plan implementation starts determining what purchases need to be made and if the cost requires the competitive bid process. The process to determine what items (i.e., goods and services) should be included in the budget is first and foremost, needs-based. District staff and school staff make decisions on specific items to be purchased based on current assessment of student and staff needs.

In the event the expense constitutes personnel, the necessary interview and employment process or transfer is implemented.

### ***Direct and Indirect Costs Defined***

*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.<sup>10</sup> 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.<sup>11</sup> Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.<sup>12</sup>

Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award.<sup>13</sup> 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:<sup>14</sup>

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

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<sup>10</sup> [2 C.F.R. § 200.413\(a\)](#)

<sup>11</sup> [2 C.F.R. § 200.1 \(Indirect costs\)](#)

<sup>12</sup> [2 C.F.R. § 200.413\(a\)](#)

<sup>13</sup> [2 C.F.R. § 200.413\(b\)](#)

<sup>14</sup> [2 C.F.R. § 200.413\(c\)](#)

- 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.

*Indirect Cost Rate:* TDOE approves indirect cost rates for one year.

With the aid of the regional finance consultant, the District completes the indirect cost template, ensuring that costs are properly classified as excluded, indirect, or direct. As a result, the District develops both a restricted and un-restricted rate which is then approved by the Tennessee Department of Education.

*Applying the Indirect Cost Rate:* Once the District has an approved indirect cost rate, the percentage can be 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.<sup>15</sup> Once the 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. For Direct Grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions.<sup>16</sup>

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.

### ***Determining Allowability of Costs***

Expenditures must be aligned with approved budgeted items. Any changes or variations from the State-approved budget and grant application need prior approval from TDOE.

When determining how the District will spend its grant funds, the appropriate stakeholder will review the proposed cost to determine whether it is an allowable use of Federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by Federal education funds must meet the standards outlined in EDGAR, [2 C.F.R. § 200.403](#), which

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<sup>15</sup> [34 C.F.R § 75.564](#); [34 C.F.R. § 76.569](#)

<sup>16</sup> [34 C.F.R. § 75.564](#)



are provided in the bulleted list below. The stakeholder must consider these factors when making an allowability determination.

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

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 District or the proper and efficient performance of the Federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; Federal, State, and other laws and regulations; and terms and conditions of the Federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the Federal government.
- Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.<sup>17</sup>

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

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

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<sup>17</sup> [2 C.F.R. § 200.404](#)

- Whether the cost is needed for the proper and efficient performance of the grant program.
  - Whether the cost is identified in the approved budget or application.
  - Whether there is an educational benefit associated with the cost.
  - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
  - Whether the cost addresses program goals and objectives and is based on program data.
- **Allocable to the Federal award.** A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received. This means that the Federal grant program derived a benefit in proportion to the funds charged to the program.<sup>18</sup> For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
  - **Consistent with policies and procedures that apply uniformly to both Federally financed and other activities of the 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.

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<sup>18</sup> [2 C.F.R. § 200.405](#)

- **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.<sup>19</sup>
- **Incurred during the approved budget period.**

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

### ***Selected Items of Cost***

Part 200 examines the allowability of 56 specific cost items (commonly referred to as Selected Items of Cost) at [2 C.F.R. §§ 200.420-200.476](#). 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. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation States the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/Federal restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, Federal funds cannot be used to purchase it.

District stakeholders responsible for spending Federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The District must follow these rules when charging these specific expenditures to a Federal grant. When applicable, District staff must check costs against the selected items of cost requirements to ensure the cost

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<sup>19</sup> [2 C.F.R. § 200.406](#)

is allowable. In addition, State, District and program-specific rules may deem a cost as unallowable and District personnel must follow those non-Federal rules as well.

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

<b>Item of Cost</b>	<b>Citation of Allowability Rule</b>
Advertising and public relations costs	2 C.F.R. § 200.421
Advisory councils	2 C.F.R. § 200.422
Alcoholic beverages	2 C.F.R. § 200.423
Alumni/ae activities	2 C.F.R. § 200.424
Audit services	2 C.F.R. § 200.425
Bad debts	2 C.F.R. § 200.426
Bonding costs	2 C.F.R. § 200.427
Collection of improper payments	2 C.F.R. § 200.428
Commencement and convocation costs	2 C.F.R. § 200.429
Compensation – personal services	2 C.F.R. § 200.430
Compensation – fringe benefits	2 C.F.R. § 200.431
Conferences	2 C.F.R. § 200.432
Contingency provisions	2 C.F.R. § 200.433
Contributions and donations	2 C.F.R. § 200.434
Defense and prosecution of criminal and civil proceeding claims, appeals and patent infringements	2 C.F.R. § 200.435
Depreciation	2 C.F.R. § 200.436
Employee health and welfare costs	2 C.F.R. § 200.437
Entertainment costs	2 C.F.R. § 200.438
Equipment and other capital expenditures	2 C.F.R. § 200.439
Exchange rates	2 C.F.R. § 200.440
Fines, penalties, damages and other settlements	2 C.F.R. § 200.441
Fund raising and investment management costs	2 C.F.R. § 200.442
Gains and losses on disposition of depreciable assets	2 C.F.R. § 200.443
General costs of government	2 C.F.R. § 200.444
Goods and services for personal use	2 C.F.R. § 200.445
Idle facilities and idle capacity	2 C.F.R. § 200.446
Insurance and indemnification	2 C.F.R. § 200.447
Intellectual property	2 C.F.R. § 200.448
Interest	2 C.F.R. § 200.449
Lobbying	2 C.F.R. § 200.450
Losses on other awards or contracts	2 C.F.R. § 200.451

Maintenance and repair costs	2 C.F.R. § 200.452
Materials and supplies costs, including costs of computing devices	2 C.F.R. § 200.453
Memberships, subscriptions, and professional activity costs	2 C.F.R. § 200.454
Organization costs	2 C.F.R. § 200.455
Participant support costs	2 C.F.R. § 200.456
Plant and security costs	2 C.F.R. § 200.457
Pre-award costs	2 C.F.R. § 200.458
Professional services costs	2 C.F.R. § 200.459
Proposal costs	2 C.F.R. § 200.460
Publication and printing costs	2 C.F.R. § 200.461
Rearrangement and reconversion costs	2 C.F.R. § 200.462
Recruiting costs	2 C.F.R. § 200.463
Relocation costs of employees	2 C.F.R. § 200.464
Rental costs of real property and equipment	2 C.F.R. § 200.465
Scholarships and student aid costs	2 C.F.R. § 200.466
Selling and marketing costs	2 C.F.R. § 200.467
Specialized service facilities	2 C.F.R. § 200.468
Student activity costs	2 C.F.R. § 200.469
Taxes (including Value Added Tax)	2 C.F.R. § 200.470
Telecommunications and video surveillance costs	2 C.F.R. § 200.471
Termination costs	2 C.F.R. § 200.472
Training and education costs	2 C.F.R. § 200.473
Transportation costs	2 C.F.R. § 200.474
Travel costs	2 C.F.R. § 200.475
Trustees	2 C.F.R. § 200.476

Likewise, it is possible for the State and/or 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. Accordingly, employees must consult Federal, State and District requirements when spending Federal funds. For example, often the State's travel rules are more restrictive than Federal rules, which means the State's policies must be followed.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance and grant award notifications.

The State and/or District rules related to some specific cost items are discussed below. District employees must be aware of these State and District rules and ensure they are complying with these requirements.

### ***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.<sup>20</sup>

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the Federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the Federal award; and (2) the costs are reasonable and consistent with the District's established policy.<sup>21</sup>

Oak Ridge Schools Expenses and Reimbursements are authorized for Central Office, School Personnel, and Board Members (BP 2.804). See [Oak Ridge Schools Travel Policy & Procedures](#) for specific travel related guidance.

### ***Helpful Questions for Determining Whether a Cost is Allowable***

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

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?

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<sup>20</sup> [2 C.F.R § 200.475\(a\)](#)

<sup>21</sup> [2 C.F.R § 200.475\(b\)](#)

- Is the proposed cost consistent with program specific fiscal rules?
  - For example, the District may be required to use Federal funds only to supplement the amount of funds available from non-Federal (and possibly other Federal) sources.
- Is the proposed cost consistent with EDGAR?
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, stakeholders should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for limited English proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, stakeholders should review data when making purchases to ensure that Federal funds to meet these areas of concern.

#### F. Federal Cash Management Policy/Procedures

The District complies with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 C.F.R. Part 205. Generally, the District receives payment from the TDOE on a reimbursement basis.<sup>22</sup> However, if the District receives an advance in Federal grant funds, the District will remit interest earned on the advanced payment quarterly to the Federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses.<sup>23</sup>

Regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the LEA. Interest does 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.

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<sup>22</sup> [2 C.F.R. § 200.305](#)

<sup>23</sup> [2 C.F.R. § 200.305\(b\)\(9\)](#)

## [Policy 2.402 – Investment Earnings](#)

### ***Payment Methods***

**Reimbursements:** The District uses the reimbursement payment method. All reimbursements are based on actual disbursements, not on obligations. The District may initially charge Federal grant expenditures to nonfederal funds.

The District Grant Accountant will request reimbursement for actual expenditures incurred under the Federal grants **at least monthly**. Because all spent funds go through a thorough process BEFORE being spent, the District Grant Accountant does not need prior approval. Reimbursement requests will be submitted via ePlan.<sup>24</sup> All reimbursements are based on actual disbursements, not on obligations. The requests are tied to approved budget line items.

The monthly grant Budget compared to Expenditure Summary and Detail Report approved by each individual Federal Grant Administrator will be forwarded to the District Grant Accountant by the 5<sup>th</sup> day of the following month. Those reports will be reconciled by the grant accountant to a summary calculation sheet for each federal grant with the grant totals, carryover amounts, expenditures to date, amount to be claimed for reimbursement, and remaining grant balances. The District Grant Accountant will reconcile and sign the Grant Summary Sheet and drawdown the grant reimbursement through E-Plan. A printout of the drawdown and E-Plan Summary along with the Financial Reports, and Grant Summary Sheet will then be reviewed and approved by the Finance Director (includes monthly and cumulative expenditures, project budgets, and balance remaining column). This documentation will be maintained in individual grant files by the District Grant Accountant.

Consistent with State and Federal requirements, the District will maintain source documentation supporting the Federal expenditures and will make such documentation available for the TDOE review upon request. A record of quotes, requisitions, purchase orders, invoices, and checks must be kept as required by [records retention schedules](#).

Reimbursements of actual expenditures do not require interest calculations.

**Advances:** **Oak Ridge Schools does not receive advances.** In the unlikely event that the District were to receive advance payment of federal grant funds, the District will strive to expend the federal funds on allowable expenditures within 72 hours of receipt. The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The

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<sup>24</sup> [ePlan Application Guide](#)



District will calculate interest earned on cash balances after 72 hours of receipt of advance payments.

Interest will be calculated annually, consistent with awarding agency instructions. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's average interest rate. 2 CFR § 200.305(b)(9)(i)-(ii). The District may retain up to \$500 of interest earned per year.

#### G. Timely Obligation of Funds

##### ***When Obligations Are Made***

Financial obligations. When referencing a recipient or subrecipient's use of funds under a federal award, means orders placed for property and services, contracts and sub-awards made, and similar transactions that require payment by the District during the same or a future period.<sup>25</sup>

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

<b>If the obligation is for:</b>	<b>The obligation is made:</b>
Acquisition of property	On the date which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
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
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
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.

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<sup>25</sup> [2 C.F.R. § 200.1 \(Financial obligations\)](#)

[34 C.F.R. § 75.707](#); [34 C.F.R. § 76.707](#).

### ***Period of Performance of Federal Funds***

All financial obligations must occur within the period of performance. The period of performance is the total estimated time interval between the start of an initial federal award and the planned end date, which may include one or more funded portions, or budget periods. 2 C.F.R. §200.1. This means that to be allowable, funds must be obligated not only within the period of performance, but also within the currently approved budget period. There may be multiple budget periods within one period of performance.

State-Administered Grants: As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the “Tydings Amendment” is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover.<sup>26</sup> For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

Direct Grants: In general, the period of availability for funds authorized under direct grants is identified in the grant award letter.

For both State-administered and direct grants, regardless of the period of availability, the 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.<sup>27</sup> The non-federal entity must promptly refund any balances of unobligated cash that the federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-federal entity for

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<sup>26</sup> [34 C.F.R. § 76.709](#)

<sup>27</sup> [2 C.F.R. § 200.344\(b\)](#)

use in other projects. 2 C.F.R. § 200.344(d).<sup>28</sup> Consequently, the District closely monitors grant spending throughout the grant cycle.

### ***Carryover***

State-Administered Grants: As described above, the Tydings Amendment extends the period of availability for applicable State-administered program funds. Essentially, it permits recipients to “carryover” any funds left over at the end of the initial 15-month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months.<sup>29</sup> Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

The district Final Expenditure Report (FER) is reconciled and submitted to TDOE via ePlan. Any carryover funds are automatically transferred to the current grant application to be budgeted prior to expending. The accounting office monitors expenditures and reconciles them against the grant worksheet to ensure carryover balances are expended prior to current year funds. For programs with carryover limitations (i.e. ESEA Title I, Title III) a carryover waiver request letter will be submitted to TDOE when the carryover exceeds the cap.

Direct Grants: Grantees receiving direct Federal grants are not covered by the 12 month Tydings period, i.e. ESEA-Title VI, SRSA. However, under [2 C.F.R. § 200.308](#), direct grantees enjoy unique authority to expand the period of availability of Federal funds. The District is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the Federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

The District will seek prior approval from the Federal agency when the extension will not be contrary to Federal statute, regulation or grant conditions and:

- The terms and conditions of the Federal award prohibit the extension;
- The extension requires additional Federal funds; or
- The extension involves any change in the approved objectives or scope of the project.<sup>30</sup>

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<sup>28</sup> [2 C.F.R. § 200.344\(d\)](#)

<sup>29</sup> [34 C.F.R. § 76.709](#)

<sup>30</sup> [2 C.F.R. § 200.308\(e\)\(2\)](#)

[Policy 2.200 – Annual Operating Budget](#)

[Policy 2.201 – Line Item Transfer Authority](#)

[Policy 2.800 – Expenditure of Funds](#)

[Policy 2.810 – Payment Procedures](#)

## H. Program Income

### ***Definition***

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.<sup>31</sup>

Program income 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. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them.<sup>32</sup> Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income.<sup>33</sup>

### ***Use of Program Income***

The default method for the use of program income for the District is the deduction method.<sup>34</sup> 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 the District is otherwise directed by the Federal awarding agency or pass-through entity.<sup>35</sup> The LEA

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<sup>31</sup> [2 C.F.R. § 200.1 \(Program income\)](#)

<sup>32</sup> [2 C.F.R. § 200.1 \(Program income\)](#)

<sup>33</sup> [2 C.F.R. § 200.307](#)

<sup>34</sup> [2 C.F.R. § 200.307\(e\)](#)

<sup>35</sup> [2 C.F.R. § 200.307\(e\)\(1\)](#)

may also request prior approval from the Federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-federal entity. The program income must then be used for the purposes and under the conditions of the Federal award.<sup>36</sup>

While the deduction method is the default method, the District always refers to the grant award letter prior to determining the appropriate use of program income.

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<sup>36</sup> [2 C.F.R. § 200.307\(e\)\(2\)](#)

### III. Procurement System

The District maintains the following purchasing procedures.

#### A. Responsibility for Purchasing

The Superintendent and Finance Director are the authorized purchasing agents for system-wide purchasing. Principals serve as the purchasing agents for individual schools. They have the authority to delegate purchasing authority to the duly authorized buyers. This authority must conform to Federal, State, and Federal laws. All purchases made by the District must be approved and signed by both the Superintendent and Finance Director.

The Superintendent will designate personnel to be responsible for making requisitions. All approved requisitions will be submitted to the designated purchasing agent (for individual schools - the Principal) on approved system forms.

After processing, the original copy of the requisition will be filed in the appropriate purchasing office.

Requisitions are initiated in the purchasing module of the financial accounting software by Bookkeepers or Administrative Assistants, as delegated by the Superintendent. Once the requisition is submitted for approval, it is automatically forwarded to the next level of approval in the financial software, as delegated by the Superintendent of Schools. All grant requisitions must be approved by the Grant Administrator/Program Director prior to purchase. Once all required approvals are in place, the System-Wide Purchasing Specialist is responsible for updating and processing contracts and purchase orders. See Oak Ridge Schools Requisitions Policy (BP 2.807).

#### B. Purchase Methods

In order to obtain essential goods and services with pricing and conditions in the District's best interest, the District has a procurement system in place. While non-competitive processes (e.g. informal solicitations, emergency purchases, noncompetitive proposals, etc.) are at times necessary, competition should be involved to the maximum extent practicable during the procurement process.

Some relevant portions of Oak Ridge School policies are incorporated below. These policies are:

- Oak Ridge Schools Purchasing Policy ([BP 2.805](#))
- Oak Ridge Schools Bids and Quotations Policy ([BP 2.806](#))

- Oak Ridge Schools Purchase Orders and Contracts Policy ([BP 2.808](#))

#### Preparation of Requisitions

All purchases with federal funds are initiated by a requisition. The Superintendent of Schools will designate personnel to be responsible for preparing requisitions. When it is determined that a purchase of supplies, equipment, materials, or services are necessary for a department, the requisitioner prepares a written and/or electronic request.

The request is entered into the District's electronic financial management system and sent through a chain of command for approval that includes: the department supervisor, applicable Executive Director, applicable Grant/Program Director and the Finance Director.

#### Preparing Purchase Orders

Once a requisition is approved at all levels in the electronic financial management system, the purchasing process is initiated, and a purchase order is generated by the computer software by the Purchasing Specialist. The computer system automatically assigns purchase order numbers in sequential order.

Purchase orders contain the vendor's contact information, issue date, purchase order number, point of delivery, description and quantity, unit price, expenditure account number, and a total price for equipment, service, and/or material.

Four copies of the purchase order are printed and one is furnished to the vendor, two to the department head (one for their records and one to be returned to the Purchasing Specialist when items are received or services completed), and one is kept on file in the Purchasing Office.

#### Making Payments for Goods

The department receiving materials, supplies, or equipment should inspect those items for damage, shortages, or errors in items shipped. Once all invoiced items are received and deemed as ordered, the invoice should be signed, dated, and submitted for payment to the Purchasing Specialist along with the copy of the Purchase Order.

Purchasing Specialist will audit supplied documentation from department head, attach any additional information, and forward to Accounts Payable. Accounts Payable will

submit payment to the vendor. A record of quotes, requisitions, purchase orders, invoices, and checks must be kept as required by records retention schedules.<sup>37</sup>

### **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 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 maximum extent practicable, the District distributes micro-purchases equitably among qualified suppliers.

Micro-purchases may be awarded without soliciting competitive price or rate quotations if the District considers the price to be reasonable based on research, experience, purchase history, or other information and filed documents. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-federal entity. The District maintains evidence of this reasonableness in the records of all micro-purchases.

### ***Purchases between \$10,000 and \$50,000 (Small Purchases)***

For the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed \$50,000, small purchase procedures are used. If small purchase procedures are used, price or rate quotations/bids are obtained from three sources. Competitive quotes/bids may be solicited by direct mail request to prospective bidders, telephone, facsimile machine, email, or online. A record of these quotes should be maintained.

### ***Purchases \$50,000 and Above***

*Sealed Bids (Formal Advertising):* For purchases over \$50,000, 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. This method is based solely on price and an Invitation for Bid (ITB) should be prepared. The sealed bid method is the preferred method for procuring construction if the following conditions apply:

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<sup>37</sup> [Tennessee Records Retention Schedules](#)



- 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 qualified sources, 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:* A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They awarded in accordance with the following requirements:

- 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.

Any request for proposal will include:

1. All evaluation factors and their relative importance on a point system ([see below](#)),
2. Specifications for the items or services ([see below](#)),
3. All requirements which offerors must fulfill and rules for bidding, and
4. The date, time, and place where the bids will be opened.

### Advertisement

The Purchasing Specialist in the District Business Office should be contacted for any formal procurement above for advertisement in a local newspaper and on the District's website. Sealed bids should be solicited by formal advertisement inserted at least once in a newspaper of general circulation in the City of Oak Ridge allowing adequate time for vendor response before the opening date. The solicitation document will be posted on the District's website by the Purchasing Specialist. The document should be in pdf form and appropriately titled.

### Receipt of Sealed Bids

All bids received prior to the opening time must be kept sealed and in a secure location. Bids received after the set time for opening are late and should remain unopened in the bid file and not be considered. All sealed bids received should be opened publicly at the time and place fixed in the advertisement. On a bid tabulation sheet all bid amounts should be recorded along with the name and address of the bidder. If only one response is received, the respondent can be awarded or re-bid upon the District's discretion (see noncompetitive procurement below). The District reserves the right to reject any or all bids if it is in the best interest of the District and there is a sound documented reason.

### Review of Bids/Proposals

Once the document is opened, it should be checked for compliance with the required procedures, specifications, and contract conditions. Any bids that fail to meet the criteria set forth in the solicitation document may be discarded.

The advertised evaluation criteria set forth in the RFP or RFQ should be used to evaluate the proposal. An evaluation report should be used to record scores.

The proposals should be ranked and the highest responsive and responsible bidder, considering the factors listed in the solicitation document, should be recommend to

the Board to receive the award. Invoices and checks must be kept as required by records retention schedules.<sup>38</sup>

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

### **Technical Evaluation Procedure**

The stakeholder should evaluate the responses in a timely manner and rank them based on the evaluation and weighting criteria contained in the solicitation. Responses must be evaluated solely based on the criteria listed in the solicitation. All evaluations must be appropriately documented on an evaluation form or score sheet developed for the particular purchase. The vendor with the highest rated evaluation response should be recommended for award to the Board and the evaluation form or score sheet can be made available to them.

### [Policy 3.211 – New Project Planning](#)

Contract/Price Analysis: The District performs a cost or price analysis in connection with every procurement action in excess of \$250,000, including contract modifications.<sup>39</sup> A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, Districts must come to an independent estimate prior to receiving bids or proposals.<sup>40</sup>

When performing a cost analysis, the District negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of

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<sup>38</sup> [Tennessee Records Retention Schedules](#)

<sup>39</sup> [2 C.F.R. § 200.324\(a\)](#)

<sup>40</sup> [2 C.F.R. § 200.324\(a\)](#)

subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.<sup>41</sup>

### ***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:

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

*Educational Consultants and Similar Services:* In order to procure educational consultants in accordance with T.C.A. § 12-4-106(a)(1), the procurement must be paid with State funds:

Contracts by counties, cities, metropolitan governments towns, utility districts and other municipal and public corporations of the State, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services and similar services by professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

Sole Source is not the recommend method of purchasing. Written documentation supporting the reason for using noncompetitive proposals must be recorded. Purchases in this category exceeding \$25,000 must be approved by the School Board.

This does not apply to purchases with federal funds. Educational consultants and similar services with federal funds must be procured in accordance with 2 CFR 200.318-200.327.

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<sup>41</sup> [2 C.F.R. § 200.324\(b\)](#)

### ***Cost Price Analysis and Sole Source***

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$50,000.

#### ***C. Purchase Cards***

Oak Ridge Schools does not use purchase cards. However, credit cards are issued by the Business Office to the Board of Education and central office administrative positions only for the purchase of travel/conference items such as hotel reservations, registration fees, etc. However, as requisitions/purchase order/travel authorizations are required prior to all these purchases, they do not qualify as P-Cards.

#### ***D. Full and Open Competition***

All procurement transactions must be conducted in a manner providing full and open competition consistent with [2 C.F.R § 200.319 and 200.320](#). 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.

### ***Geographical Preferences Prohibited***

The District must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed State, Federal, 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.

The District does not use local preferences when making purchases with federal funds.

#### **Domestic Preference for Procurement**

The District, to the greatest extent practicable, provides a preference for the purchase, or acquisition, of goods and products produced in the United States. The District includes this preference in all contracts and purchase orders for work or products using federal funds.

#### **Prohibition on Certain Telecommunications Companies**

The District will not procure, enter into a contract to procure, or extend or renew a contract to procure covered telecommunications and video surveillance equipment or services described in Public Law 115-232, section 889. Covered telecommunications and video surveillance equipment or services are those produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company, or any subsidiary or affiliate of such entities. 2 C.F.R. § 200.216.

#### **Never Contract with the Enemy**

The District complies with the regulations implementing Never Contract with the Enemy in 2 CFR part 183 prohibiting contracts, grants and cooperative agreements that exceed \$50,000, are performed outside the U.S. and its territories, and are in support of a contingency operation in which members of the Armed Forces are actively engaged in hostilities. 2 C.F.R. §200.215.

#### ***Prequalified Lists***

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

The District purchasing agent may use a comprehensive vendor list for the purpose of soliciting competitive bids; provided, further, that the purchasing agent shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement.

#### ***Solicitation Language***

The District must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description

must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.<sup>42</sup>

#### E. Federal Procurement System Standards

##### ***Avoiding Acquisition of Unnecessary or Duplicative Items***

The District must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives, and another 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.<sup>43</sup>

##### ***Use of Intergovernmental Agreements***

To foster greater economy and efficiency, the District enters into State and Federal intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.<sup>44</sup>

When using Intergovernmental Agreements, the District should compare contracts available for the required goods or services and evaluate whether the use of an intergovernmental agreement contract is appropriate. If the District moves forward with an intergovernmental agreement, it will obtain the necessary contract documents for procurement evaluation including:

- Solicitation,

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<sup>42</sup> [2 C.F.R § 200.319\(d\)\(1\)-\(2\)](#)

<sup>43</sup> [2 C.F.R. 200.318 \(d\)](#)

<sup>44</sup> [2 C.F.R. § 200.318 \(e\)](#)

- Evaluation report,
- Winning proposal/ bid, and
- All insurance/ bond certificates required by the contract.
- Ensure sufficient and proper documentation is obtained relating to 2 CFR 200.214, 200.318(i), 200.320(b)(1)(ii)(C), 200.320(b)(2)(iii), Appendix II of 2 CFR 200

III. **Important:** The District will ensure that use of an Intergovernmental Agreement **be pre-approved in writing by the specific federal awarding agency prior to any procurement.**

***Use of cooperative purchasing organizations and agencies PROHIBITED for federal grant funding purchases***

The District encourages cooperation with other governmental agencies and intergovernmental purchasing organizations for the purchase of like supplies, materials, equipment, and services. Cooperative purchases already bid and awarded in compliance with Tennessee law can be used without the District going through the bidding process when using local funds. When the purchase will be made with Federal Grant funds, however, the District prohibits use of cooperative purchasing organizations. The District can compare cooperative contracts available for the required goods or services and evaluate whether the use of a cooperative contract is appropriate. Once it is determined another contract should be used the District must obtain the necessary contract documents for file to ensure the competitive process was used, including:

- Solicitation
- Evaluation report
- Winning proposal/ bid
- All insurance/ bond certificates required by the contract.

Those involved in the solicitation process can consult the organizations and agencies listed below (not an exhaustive list) to determine if a contract will provide the item at a lower cost.

- National Cooperatives:
  - [National BuyBoard](#),
  - [National Joint Powers Alliance](#) (NJPA),
  - [The Interlocal Purchasing System](#) (TIPS),
  - and [US Communities](#).
- [Statewide Contracts](#) – TN Smart Shop also has the list in [Excel format](#) (click “Statewide Vendor Contract List”



- Local Education Agencies – Other Districts or relevant Associations can also be contacted to find contracts for piggybacking.

### ***Use of Federal Excess and Surplus Property***

The District shall consider the use of Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.<sup>45</sup>

### ***Debarment and Suspension***

The District shall award 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.<sup>46</sup>

The District may not subcontract with or award subgrants to any person or company who is debarred or suspended and is required to check for excluded parties at the System for Award Management website before any procurement transaction. This list is located at: <http://www.sam.gov/>.

### ***Maintenance of Procurement Records***

The District must maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred.<sup>47</sup>

### ***Time and Materials Contracts***

The District may use a time and materials type contract only if (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.

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<sup>45</sup> [2 C.F.R. § 200.318 \(f\)](#)

<sup>46</sup> [2 C.F.R. § 200.318 \(h\)](#)

<sup>47</sup> [2 C.F.R. § 200.318 \(i\)](#)

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the District must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.<sup>48</sup>

### ***Settlements of Issues Arising Out of Procurements***

The District alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. Violations of law will be referred to the Federal, State, or Federal authority having proper jurisdiction.<sup>49</sup>

### **Oak Ridge Schools School Attorney Policy (BP 1.302)**

The Oak Ridge Schools Board of Education will employ an attorney to represent the Board in legal matters which arise concerning the school system.

### ***Protest Procedures to Resolve Dispute***

The District shall maintain protest procedures to handle and resolve disputes relating to procurements and, in all instances, disclose information regarding the protest to the awarding agency.

Any contractor wishing to protest the bid award shall notify in writing the Oak Ridge Schools Purchasing Specialist, 304 New York Avenue, Oak Ridge, TN 37830. No protest will be accepted, except those protests made in writing and received within (3) three calendar days of the bid award. Protests must be in writing and envelopes/package containing protest must be clearly marked with bid number and words "BID PROTEST." The Purchasing Specialist, in conjunction with the Finance Committee, and with the advice of counsel, shall review and make a final decision as to any bid protest. Appeals shall be filed in the Circuit or Chancery Courts of Anderson County within sixty (60) days of the final decision.

## **F. Conflict of Interest Requirements**

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<sup>48</sup> [2 C.F.R. § 200.318 \(i\)](#)

<sup>49</sup> [2 C.F.R. § 200.318 \(k\)](#)

## ***Standards of Conduct***

In accordance with [2 C.F.R. § 200.318\(c\)\(1\)](#), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

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

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

In accordance with Board Policy 2.809, no person officially connected with or employed by the school system will be an agent for, or have any financial compensation or reward of any kind from any vendor for the sale of supplies, materials, equipment, or service.

Also see the following Oak Ridge Schools policies applicable to conflicts of interest:

- Ethics Policy ([BP 5.611](#))
- Conflict of Interest Policy ([BP 5.601](#))

## ***Organizational Conflicts***

Organizational conflict of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the District is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.<sup>50</sup>

## ***Disciplinary Actions***

When it is determined that an employee has violated ethical standards, the department head, immediate supervisor, Executive Director, or Superintendent of Schools may impose any of the following disciplinary actions depending upon the nature of the breach:

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<sup>50</sup> [2 C.F.R § 200.318\(c\)\(2\)](#)

- Oral warnings
- Written warnings
- Oral reprimands
- Written reprimands

The following disciplinary actions may be imposed by the Superintendent of Schools and Board of Education:

- Suspension with or without pay for a specified period
- Termination of employment

### ***Mandatory Disclosure***

Upon discovery of any potential conflict, the District discloses in writing the potential conflict to the Federal awarding agency in accordance with applicable Federal awarding agency policy. The District also discloses in writing to the federal awarding agency or pass-through all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award.

### G. Contract Administration

The District maintains the following oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.<sup>51</sup> The stakeholder initiating the contract will be responsible for reviewing compliance with terms, conditions, and specifications of the contract or purchase order. That individual will also be responsible for verification and authorizing payment of said contract.

See [Board Policy 2.808 – Purchase Orders and Contracts](#)

### H. Contracting with Small and Minority Businesses

The District takes all necessary affirmative steps to assure that historically underutilized business (HUBs), including minority businesses and women’s business enterprises, and labor surplus area firms are used when possible.<sup>52</sup> To accomplish this, the District uses the following required affirmative steps:

- Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;

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<sup>51</sup> [2 C.F.R. § 200.318\(b\)](#)

<sup>52</sup> [2 C.F.R. § 200.321](#)

- Assuring that small and minority business, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

## IV. Property Management Systems

### 1. Property Classifications

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 \$5,000.<sup>53</sup>

Sensitive minor equipment means items purchased with a cost between \$100.00 and \$5,000.00. It includes sensitive items such as computers, external computer peripherals, weapons, etc., as determined by the State Personal Property Section.

Supplies means all tangible personal property other than those described in Equipment. A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.<sup>54</sup>

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.<sup>55</sup>

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).<sup>56</sup>

### 2. Inventory Procedure

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<sup>53</sup> [2 C.F.R. § 200.1 \(Equipment\)](#)

<sup>54</sup> [2 C.F.R. § 200.1 \(Supplies\)](#)

<sup>55</sup> [2 C.F.R. § 200.1 \(Computing devices\)](#)

<sup>56</sup> [2 C.F.R. § 200.1 \(Capital assets\)](#)

All property valued above one hundred dollars (\$100) or more is tagged by the Federal Program Grant Administrator or their designee within the department. The Federal Program Grant Administrator or their designee will maintain inventory records for all items purchased through federal grants. Physical inventories are taken annually for all federal programs by each grant administrator and maintained electronically using Excel or Access.

**Oak Ridge Schools Federal Inventory Procedure (BP 2.702)** Generally equipment and sensitive minor equipment is delivered to school campuses or to the IT department. The IT department is responsible for tagging all technology items and will work with school campuses to ensure deliveries are tagged. Non-technology items are generally delivered to school campuses. The individual responsible for entering the purchase order is also responsible for verifying receipt of goods and that it matches the information on the purchase order. The District Inventory Clerk will tag non-technology items.

### 3. Inventory Records

For each equipment and computing device purchased with Federal funds, the following information is maintained:

- Serial number or other identification number;
- Source of funding for the property (including the FAIN);
- 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.

In the event property cannot be repaired, the building level inventory designee and building supervisor will complete a surplus property disposal form. The inventory is reconciled at both the building and the Federal Programs Grant Administrator's Office.

See [Board Policy 2.702](#) - Inventories

### 4. Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records once every year. 2 C.F.R. § 200.313(d).

Each year building level personnel perform the physical inventory. This process is done in the spring/fall for previously purchased property. As new inventory is purchased, it is added to the inventory records.

Every fall the Federal Programs Grant Administrator Office sends the Federal programs equipment inventory list to each building, and to the District Inventory Specialist. The inventory designee makes changes as needed. The revised form is then returned to the Federal Programs Office where the property management system is updated to reflect the changes.

Building supervisors annually complete and sign a reconciliation memo to verify accuracy of physical inventory.

## 5. Property/Equipment Maintenance

In accordance with 2 C.F.R. 200.313(d) (4), the District maintains adequate maintenance procedures to ensure that property is kept in good working conditions.

Process: If any item is broken, a work order is submitted to the appropriate department for repair.

See Oak Ridge Schools Equipment and Supplies Management ([BP 3.300](#))

## 6. Lost or Stolen Items

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Equipment that is stolen is reported to Federal jurisdiction of law enforcement. 2 C.F.R. 200.313(d)(3).

See Oak Ridge Schools Security Policy ([BP 3.205](#))

## 7. Use of Equipment

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the District will not encumber the property without prior approval of the Federal awarding agency and the pass-through entity. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority: (1) activities under a Federal award from the Federal awarding agency



which funded the original program or project; then (2) activities under Federal awards from other Federal awarding agencies. 2 C.F.R. § 200.313(c)(1).

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the Federal awarding agency that financed the equipment. Second preference is given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-Federally funded programs or projects is also permissible. 2 C.F.R. § 200.313(c)(2).

#### 8. 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, the Federal Programs Office shall 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.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property. 2 C.F.R. § 200.313(e).

## V. 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.<sup>57</sup> In addition, employees who are paid from State and Federal funds, but whose salaries are used for cost sharing or matching must also keep time and effort documentation.<sup>58</sup>

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with [2 C.F.R. § 200.430\(i\)\(1\)](#), 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 District on an integrated basis;
- Comply with the established accounting policies and practices of the District and
- Support the distribution of the employee's salary or wages among specific activities or costs objectives.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.<sup>59</sup>

#### ***Time and Effort Procedures***

In order to meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as

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<sup>57</sup> [2 C.F.R. § 200.430\(i\)\(1\)](#)

<sup>58</sup> [2 C.F.R. § 200.430\(i\)\(4\)](#)

<sup>59</sup> [2 C.F.R. 200.430\(i\)\(1\)\(viii\)](#)

required below. The type of form depends on the number of cost objectives that an employee works on.

A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are described and from which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.<sup>60</sup>

All employees who work on a single cost objective must complete a semi-annual certification. The semi-annual certification must be:

1. Completed at least every six (6) months;
2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
3. Reflect an after-the-fact distribution of the actual activity; and
4. Account for the total activity for which each employee is compensated.

**See Appendix E – Semi-Annual Certification Sample Form**

All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity;
2. Account for the total activity for which each employee is compensated;
3. Are prepared at least monthly & coincide with one or more pay periods; and
4. Are signed by the employee.

**See Appendix D – Oak Ridge Schools Personnel Activity Reporting (PAR)**

**See Appendix F – Personal Activity Reporting (PAR) Sample Form**

### ***Reconciliation and Closeout Procedures***

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates for interim accounting purposes, EDGAR requires recipients to identify and enter into the records in a timely manner any significant changes in the corresponding work

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<sup>60</sup> [2 C.F.R. § 200.1 \(Cost objective\)](#)

activity. Additionally, the recipient must have a system of internal controls to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

### ***Employee Exits***

All employees terminating employment are required to complete a resignation form and return employee badges, keys, and materials belonging to the Oak Ridge School System.

### ***B. Human Resources Policies***

The District shall have human resource policies which at least cover (1) how employees are hired;<sup>61</sup> (2) the extent to which employees may provide professional services outside the District;<sup>62</sup> (3) the provision of fringe benefits, including leave and insurance;<sup>63</sup> (4) the use of recruiting expenses to attract personnel;<sup>64</sup> and (5) reimbursement for relocations costs.<sup>65</sup>

Oak Ridge Schools Equal Opportunity Employment Policy ([BP 5.104](#))

Oak Ridge Schools Application and Employment Policy ([BP 5.106](#))

Oak Ridge Schools Non-School Employment ([BP 5.607](#))

Tutoring for Pay ([BP 5.608](#))

Oak Ridge Schools Emergency and Legal Leave Policy ([BP 5.301](#))

Oak Ridge Schools Sick Leave Policy ([BP 5.302](#))

Oak Ridge Schools Personal and Professional Policy ([BP 5.303](#))

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61 [2 C.F.R. § 200.430\(a\)\(2\)](#)

62 [2 C.F.R. § 200.430\(c\)](#)

63 [2 C.F.R. § 200.431](#))

64 [2 C.F.R. § 200.463\(b\)](#)

65 [2 C.F.R. § 200.464](#)

## VI. Record Keeping

### A. Record Retention

The 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.<sup>66</sup> The District also maintains records of significant project experiences and results.<sup>67</sup> These records and accounts must be retained and made available for programmatic or financial audit.

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.<sup>68</sup> Consequently, the District retains 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.<sup>69</sup>

Records may be destroyed upon the termination of the applicable mandatory retention period. Records that include sensitive information are destroyed so that the sensitive information cannot be practically read or reconstructed. Paper records will be disposed of through a secure document shredding contractor. Electronic records will be destroyed or erased.

- [CTAS-2055](#) – Tennessee Department of Education Records Retention Schedule
- [CTAS-2063](#) – Accounting, Purchasing and Other Miscellaneous Records
- [CTAS-2063](#) – Employment Records Retention Schedule

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<sup>66</sup> [34 C.F.R. §§ 76.730-.731](#) and §§ [75.730-.731](#)

<sup>67</sup> [34 C.F.R. § 75.732](#)

<sup>68</sup> [34 C.F.R. § 81.31\(c\)](#)

<sup>69</sup> [2 C.F.R. § 200.334](#)

## B. Collection and Transmission of Records

The District, whenever practicable, collects, transmits, and stores Federal award-related information in open and machine-readable formats rather than in closed formats or on paper in accordance with applicable legislative requirements. A machine-readable format is a format in a standard computer language (not English text) that can be read automatically by a web browser or computer system. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable 2 C.F.R. § 200.336

Records are maintained both electronically and as paper copies within each department in the district. A Financial database or excel spreadsheet is maintained for all financial purchases for federal grant (by each District Grant Director/assistant/bookkeeper).

Records are transmitted electronically via e-Plan to the state for monitoring, as well as provided physically when requested.

The Business Office maintains financial records for all transactions, including federal grants. In addition, original invoices, receiving copies, and payment vouchers are maintained for seven years. At the end of seven years, the files are shredded by an outside secured shredding service.

All records are kept in compliance with Internal Control and Compliance Manual for Tennessee Municipalities, which is longer than the Federal requirement of five years.

Oak Ridge Schools Financial Reports and Records Policy ([BP 2.701](#))

## C. Access to Records

The District provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. 2 C.F.R. § 200.337. The right also includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

## D. Privacy

The District provides eligible students (18 or older) and parents of students with access to educational records consistent with the Family Educational Rights and Privacy Act (FERPA)

regulations located at 34 C.F.R. Part 99. 34 C.F.R. §§ 76.740 and 99.10. When required, the District obtains parental consent before disclosing personally identifiable information from students' education records 34 C.F.R. § 99.30.

To protect personally identifiable information, the District limits access to student records and data to only those employees who have a right to view and/or use the data for its intended purpose. Access to data is based on specific job duties and responsibilities. All software programs containing personal information of students and employees are password protected. Each employee is responsible for securing log-in and password information which they are not allowed to share. There are limited circumstances where the District may disclose certain information that may be disclosed without prior written consent 34 C.F.R. § 99.31. The District provides parents with an annual notice at the beginning of each school year discussing these possible disclosures, including how parents or eligible student may opt out of such disclosures.

Protections the District has in place to ensure information of both students and employees is protected:

- All confidential documents are stored in secure locations including file cabinets or rooms accessible only to those who have a business "need to know."
- All electronic information on system servers and computers is protected by password and firewall. Data on Microsoft Cloud and Outlook is protected by password, firewall, and encryption.
- Employees are responsible for protecting their password, which cannot be shared.
- Employees clear their desks of confidential information before going home at the end of the day.
- Employees refrain from leaving confidential information visible on their computer monitors when they leave their workstations.
- Employees place computers out of the visual range of persons other than the authorized user.
- Employees with Access to Skyward Financial Management require password and user rights entitlement for access to only the applicable data necessary.
- Personnel records are maintained by the Executive Director of Human Resources.

### ***Oak Ridge Schools Open Records Policy***

Oak Ridge Schools has adapted its "Open Records Policy" from Section 6 of Public Chapter 1179, Acts of 2008. The Tennessee Public Records Act grants Tennessee citizens the right to request a copy of a public record to which access is granted under State law.

For more information regarding requests for school district records, see Oak Ridge Schools School District Records ([BP 1.407](#))

For information on personnel records, see Oak Ridge Schools Personnel Records ([BP 5.114](#))

For information on retention of teacher effect data, see Oak Ridge Schools Teacher Effect Data ([BP 5.1141](#))

For more information on student record retention and access to student records, see Oak Ridge Schools Student Records ([BP 6.600](#))

For more information on the annual notification of parental rights, see Oak Ridge Schools Annual Notification of Rights ([BP 6.601](#))

For information on parent and student rights to inspect and correct records, see Oak Ridge Schools Inspection & Correction Procedure ([BP 6.602](#))

## VII. Subrecipient Monitoring

In the event that the District awards subgrants to other entities, it is responsible for monitoring those grant subrecipients to ensure compliance with Federal, State, and Federal laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a subgrant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected.

## VIII. Frequently Asked Questions

## IX. Legal Authorities and Helpful Resources

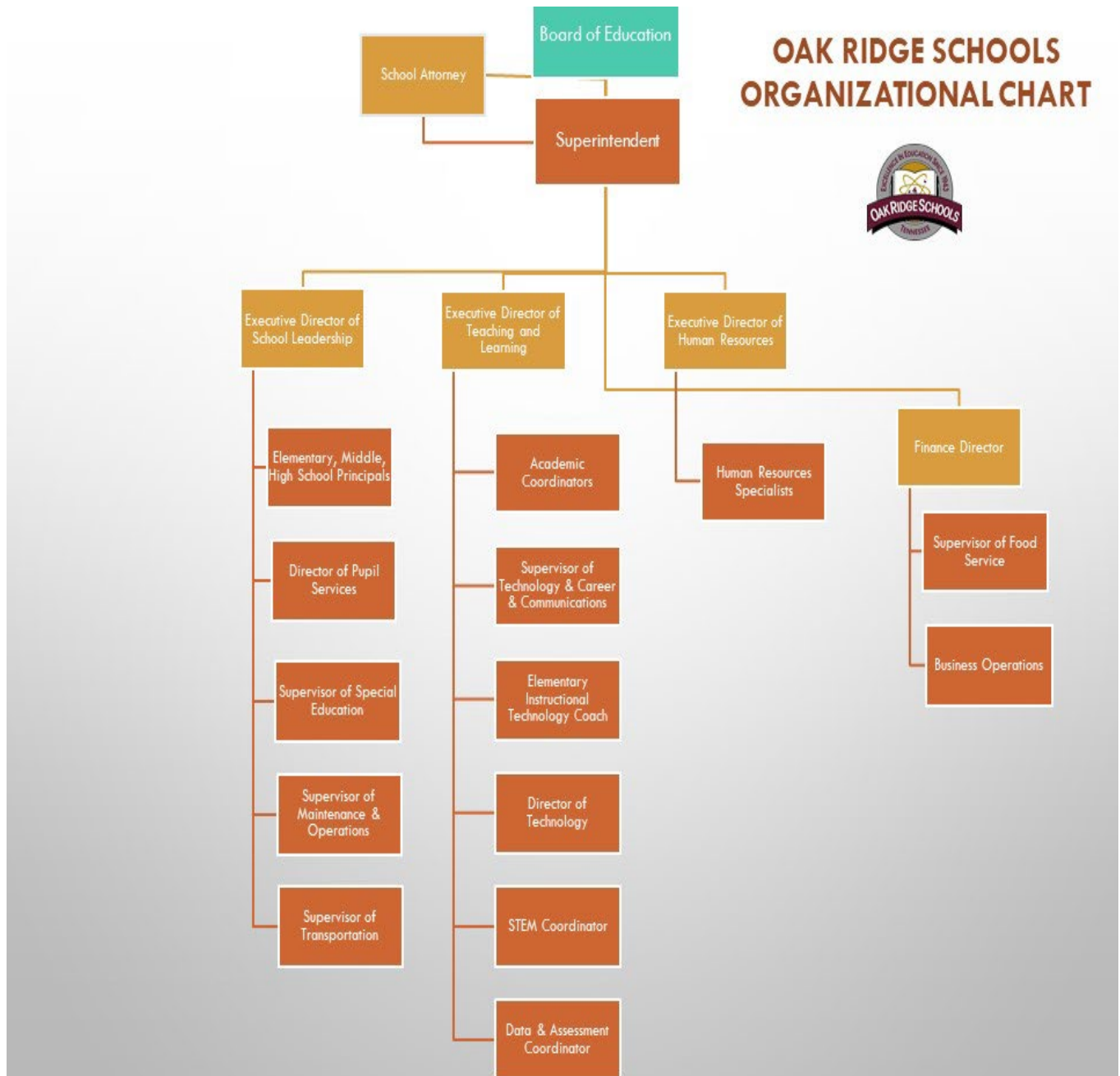
The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the Federal grant.

- Education Department General Administrative Regulations (EDGAR)
  - <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 200)



- <http://www.eC.F.R..gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5>
- USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 3474)
  - [http://www.eC.F.R..gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/eC.F.R.browse/Title02/2C.F.R.3474\\_main\\_02.tpl](http://www.eC.F.R..gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/eC.F.R.browse/Title02/2C.F.R.3474_main_02.tpl)
- Code of Federal Regulations (Annual Edition)
  - <http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR&searchPath=Title+34&oldPath=&isCollapsed=true&selectedYearFrom=2014&ycord=1000>
- Federal program statutes, regulations, and guidance
  - <http://www.ed.gov/>
- State regulations, rules, and policies
  - TN State Board of Education Rules and Regulations
    - [http://www.tn.gov/sbe/rul\\_reg.shtml](http://www.tn.gov/sbe/rul_reg.shtml)
  - TN State Board of Education Policies, Standards, and Guidelines
    - <http://www.tn.gov/sbe/policies.shtml>
  - UT County Technical Assistance Service
    - <http://www.ctas.tennessee.edu/>
- District regulations, rules, and policies
  - Oak Ridge Schools: <http://www.ortn.edu/>
  - Oak Ridge Schools Board of Education Policies: <http://www.ortn.edu/?DivisionID=4665&DepartmentID=4515&ToggleSideNav=ShowAll>
  - Oak Ridge Schools Employee Benefit Portal: <http://www.ortn.edu/?DivisionID=4674&DepartmentID=4539&ToggleSideNav=ShowAll>
- Organizational Chart  
See Appendix A

## Appendix A - Oak Ridge Schools Organizational Chart



## Appendix B – Financial Internal Controls Overview

Other Significant Accounts - Policies and Procedures						
1/1/2023						
	<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Who is responsible?</u>	<u>Additional comments</u>
	Does your organization have an up-to-date accounting policies and procedures manual?	X			Finance Director	
	Are personnel policies maintained and distributed to all personnel?	X			Human Resources Director	
	Does the governing board authorize all bank accounts and check signers annually?			x	Finance Director	Not annually-Superintendent & Finance Director
	Is the bank immediately notified of all changes in authorized check signers?	X			Finance Director	
	Are all bank and investment accounts in the name of the organization?	X			Finance Director	
	Does the organization have a written conflict of interest policy?	X			Human Resources Director	
Other Significant Accounts - Cash Receipts/AR						
	<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Who is responsible?</u>	<u>Additional comments</u>
	<u>Cash receipts</u>	X			AP Specialist	
Appendix B – Financial Internal Controls Overview						

	Is the mail opened by someone independent of the accounting function?	X			Receiving Specialist & 1 other employee	
	When the mail is opened, is a list created of all receipts?	X			Receiving Specialist & 1 other employee	
	Are the checks marked "for deposit only" as soon as they are received?	X			Receiving Specialist & 1 other employee	
	Who are the cash, checks, etc. given too?				AP Specialist	If she is unavailable, then the Data & Reporting Specialist
	Are cash receipts kept in a secure location until deposit?	X			AP Specialist	If she is unavailable, then the Data & Reporting Specialist
	If a list of receipts is created, who has access to this list (edit vs. view only)?				Cash Receipts (Posted can only be viewed - Accountants, Cash Entry Personnel	

#### **Appendix B – Financial Internal Controls Overview**

	If a list of receipts is created, is it compared to the bank deposit slip?	X			Accountant posting receipts to GL	
	Who creates the deposit slip?				AP Specialist	If she is unavailable, then the Data & Reporting Specialist
	Who deposits the cash receipts?				Receiving Specialist	Backup for bank deposits is Bus Svc Coordinator

	Are deposits made daily?	X			Receiving Specialist	Backup for bank deposits is Bus Svc Coordinator
	Who prepares the bank reconciliation? How often?				District Accountant	Monthly
	Does the owner/management receive the bank statements unopened and review all items?			X	Statements are Retrieved Online	Finance Director, Bus Svcs. Coordinator & Accountants have access to view/print
	Is the bank reconciliation approved by an appropriate person?	X			Bus Svc Coordinator	
	Are checks written to cash?		X			
<b>Appendix B – Financial Internal Controls Overview</b>						
	Does someone review cancelled checks?	X			District Accountant	
<b><u>Accounts Receivable</u></b>						
	Who records accounts receivable and revenues?	x			District Accountant	
	Who writes off bad debts?	x			District Accountant	With approval from Finance Director
	Does the owner/management review the bad debts written off?	X			Finance Director	
	Who handles customer complaints?			X		
	Are credit memos issued? If so, who approves?			X		
	Are the credit memos pre-numbered?			X		

	Does the Company prepare an aged accounts receivable list every month?	X			District Accountant	Reviewed/Approved by Finance Director
	Does the owner/management review the AR listing?	X			Finance Director	
	Are statements periodically mailed to customers?			X		
<b>Appendix B – Financial Internal Controls Overview</b>						
	Who drafts, approves and mails donor thank you letters? (if applicable)			X		
	Who answers the phones? (from donors or customers)				Accounts Payable Specialist or Data & Reporting Specialist	
<b>Other Significant Accounts - Cash Disbursements</b>						
	<b><u>Questions</u></b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>N/A</u></b>	<b><u>Who is responsible?</u></b>	<b><u>Additional comments</u></b>
	Who can sign checks?				Finance Director & Superintendent	Signature is printed electronically on checks at printing with password required
	Are blank checks kept in a locked location? Where?	X			Business Office Vault	
	Are all checks (including voided checks) accounted for?	X			Accountants	

	Are all disbursements made by <u>prenumbered</u> checks?	X			Accounts Payable Specialist	
	Are all checks used in sequence?	X			Accounts Payable Specialist	
<b>Appendix B – Financial Internal Controls Overview</b>						
	Is there a written prohibition against signing checks in advance (blank checks)?			X	No blank checks	
	Are checks outstanding for over 90 days periodically investigated?	X			Accountants	
	Who prepares the checks for signature?				Accounts Payable Specialist	
	Are the checks returned to the preparer after signature?	X			Accounts Payable Specialist	
	Does the check signer review the cash disbursement voucher for the proper approved authorization?	X			Finance Director	
	Does the check signer review & initial documentation supporting checks indicating completeness and approval?	X			Finance Director & Bus Svc Coordinator	
	Are invoices reviewed at the same time checks are signed?	X			Finance Director & Bus Svc Coordinator	

	How are invoices cancelled to indicated they have been paid?	X			Stamped Paid	
	Who is responsible for petty cash?	x			Maintenance Secretary	
	Does anyone else reconcile petty cash?	x			Department Supervisor/Director	
	Who can authorize cash transfers between bank accounts?				Bus Svc Coordinator/Accountants/Finance Director	
	Is an aged accounts payable list prepared monthly?	x			Accounts Payable Specialist	
	If so, who reviews the aged accounts payable list?	x			Finance Director	
	Are the persons authorized to approve expenditures clearly identified?	X			Finance Director	
	Are the organization's ordering and receiving processes segregated to the greatest extent possible?	X				
	Are new vendors/contractors approved in advance?	X			Data & Reporting Specialist & Purchasing Specialist	
<b>Appendix B – Financial Internal Controls Overview</b>						



	Are there adequate controls for non-check disbursements (debit memos & wire transfers)? (e.g. passwords, bank callback verifications)	X			Finance Director	
<b>Other Significant Accounts - Investments</b>						
	<b><u>Questions</u></b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>N/A</u></b>	<b><u>Who is responsible?</u></b>	<b><u>Additional comments</u></b>
	Is there a written investment policy?	X			Finance Director	
	Are all investment transactions reviewed? And approved by the owners/board/committee ?	X			Finance Director	
<b>Other Significant Accounts - Payroll</b>						
	<b><u>Questions</u></b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>N/A</u></b>	<b><u>Who is responsible?</u></b>	<b><u>Additional comments</u></b>
	Who is responsible for payroll?				Payroll Specialists	
	Are all staff time records reviewed and authorized by an appropriate person?	X			Supervisors	
	Who hires & fires?				Superintendent/Human Resources Director	
<b>Appendix B – Financial Internal Controls Overview</b>						

	How are payroll checks distributed?				Majority through direct deposit/some checks delivered through school courier or U.S. mail	
	Does the owner/management periodically review the payroll journal for gross pay and employee names?	X			Finance Director	
	Who approves raises?				Superintendent/Board of Education	
	Do personnel files show salaries and withholding information?	X			Human Resources Director	
	Are all changes to employee status or pay rate authorized by an appropriate person?	X			Human Resources Director	
	Is documentation of this approval maintained in each employee personnel file?	X			Human Resources Director	
<b>Appendix B – Financial Internal Controls Overview</b>						
<b>General Controls</b>						

	<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Who is responsible?</u>	<u>Additional comments</u>
	Does the board/governing body review the monthly financial statements?	X			Finance Director	
	Are budgets prepared?	X			Finance Director	
	Are operating results periodically compared to the budget?	X			Finance Director/ Bus Svc Coordinator/ Accountants	
	Is the need for password security reinforced to organization staff?	X			Director of Information Technology	
	Are computer backups made at least once a month?	X			Director of Information Technology	
	Are the backups kept off site or in a fireproof location?	X			Director of Information Technology	
<b>Other information:</b>						
	Is the work of all staff members double-checks on a random, unannounced basis?	X			Finance Director	
<b>Appendix B – Financial Internal Controls Overview</b>						
	Are all staff members required to take one full week of continuous vacation time annually?	X			Finance Director	

	Are job duties rotated when possible in cash handling functions?	X			Finance Director	
	Does more than one person have access to every screen or software application in the organization?		X		Director of Information Technology	
	Is employee performance reviewed and documented on a regular basis?		X			
	Are missing numbers in sequences of numerically controlled documents (e.g. checks) identified and investigated immediately?	X			Bus Svc Coordinator/ Accountants	

## Appendix C – Oak Ridge Schools Financial Policy & Operations Manual



### **OAK RIDGE SCHOOLS FINANCIAL POLICY AND OPERATIONS MANUAL**

**ACCOUNTING POLICY MANUAL** – All schools, departments, grants, directors, and supervisors are required by law to follow the acceptable procedures and to properly account for all school funds in compliance with the minimum procedures and documentation described in the TENNESSEE INTERNAL SCHOOL UNIFORM ACCOUNTING POLICY MANUAL. Each school, principal, supervisor, bookkeeper, and department should become familiar with the manual and make it available to all staff for review. The manual can be printed from the Department of Education website at: <http://www.tennessee.gov/education/support/doc/July2011TISUAPM.pdf>

The financial policies and administrative procedures contained in this manual are to be followed by all district staff and supersede all previously-issued manuals and memos on the subject. It is not acceptable to bypass the policies and procedures described in this manual at any time without prior written approval from the Director of Business & Support Services. In circumstances when Student Activity and certain grant funds are being used, additional steps may be required. However, the policies and procedures described in this manual must be followed at a minimum with any additional steps as required by the particular funding source.

This document is not intended to omit or replace official Board of Education Policy. Its purpose is to assist school employees in managing the operations of the district and supporting school programming. This document may be amended, expanded, and/or revised as the Business Office deems necessary to reflect changes in financial policies

## Appendix C – Oak Ridge Schools Financial Policy & Procedures Manual

and procedures, as directed by Generally Accepted Account Principals (GAAP), Governmental Accounting Standards Board (GASB), the Board of Education, and the City of Oak Ridge City Charter, or the Oak Ridge Schools' Annual Financial Audit.

### General Accounting Practices

- A. Those responsible for budgeted funds should complete a regular analysis/review of revenues/expenditures for their area of responsibility. Each appropriate party should be expected to thoroughly review that all items have been recorded properly when completing approval of expenditures.
- B. Expense reclassifications, if properly supported, must be requested *prior to the 10<sup>th</sup> day of the month following the original booking of the expense*. If no contact is received from your grant/department/building, this will be our verification that you have reviewed the accounting for the prior month and agree with what has been recorded.
- C. Compliance with the Oak Ridge Schools Chart of Accounts is mandatory, and all expenditures, budget adjustments, transfers, etc. should be reviewed to ensure that they are coded correctly.
- D. If a situation arises that is not directly covered by an already-established policy, it should be brought to the attention of the Business Office before being acted upon. It will then be up to the Director of Business and Support Services and the Finance Director to determine how the situation would best be addressed.

### Budget Amendments/Transfers/Reclassifications

- A. If expenditures are required in an account/object code with insufficient funds, a Budget Amendment/Budget Transfer should be prepared and submitted to the Director of Business and Support Services for review/approval. Budget transfers must be requested prior to spending the funds and submitted on the proper form. (See "Budget Transfer Form")
- B. After reviewing the request, the Finance Director will obtain the required approval. After getting the necessary approval to amend the budget, the Finance Director will provide supporting documentation an approval to the

## Appendix C – Oak Ridge Schools Financial Policy & Procedures Manual

Accounting Office for the journal entry to be entered in the accounting software. Monies requested to be moved must not be encumbered and/or spent until the approval is received. Requesters should allow for sufficient time for approvals.

- C. All requests for expense/revenue reclassifications, adjustments/journal entries to the books, or other changes, should be submitted to the Finance Director on the proper form. (See “Expense Reclassification Form”) If approved, the Finance Director will sign off on the request and will provide the request to the Accounting Office for processing.
- D. All requests for internal transfer of funds should be submitted to the Finance Director. Internal Transfers are used to process payment from one department to another department within the school system in the general fund, and the request(s) should be supported by an invoice. If approved, the Finance Director will sign off on the request and will provide the Request for Internal Transfer to the Accounting Office for processing. (See “Internal Transfer” Request)
- E. All requests for Payroll Accounting Adjustments/changes should be made through the Human Resources Office on the proper form in the following manner:
  - 1) HR will notify Payroll of the change for future checks.
  - 2) HR will notify Accounting of any changes/adjustments to accounting entries for prior payrolls.
  - 3) Accounting will complete an adjustment in the financial software and will submit it to the Finance Director for approval.
  - 4) Accounting will maintain a file of all adjustments by employee name by fiscal year.

### Purchasing

- A. All purchases, regardless of funding source or dollar amount, require that a requisition/purchase order be submitted and approved before the purchase can be made.

## Appendix C – Oak Ridge Schools Financial Policy & Procedures Manual

- B. For purchases up to \$9,999, school sites/departments may go with the vendor meeting their needs at the best obtainable price. Note: Requisitions cannot be artificially divided in order to stay under the \$10,000 threshold.
- C. Purchases between \$9,999 and \$49,999 require three informal quotes, and they should be attached to the purchase requisition. In order to be in compliance with established rules governing records retention, these quotes must be kept on file for at least seven (7) years.
- D. All purchases \$25,000 and above require approval by the Board of Education.
- E. All purchases \$50,000 and above require that sealed bids are received for consideration. The recommended choice must be approved by the Board of Education. Approval must be obtained in the form of a passed resolution at a formal meeting, unless deemed to be of an emergency nature by the Superintendent of Schools. No agreement shall be entered into, including the signing of contracts, unless the required obligations are met and before a requisition has been created and a purchase order has been approved.
- F. Requisitions for professional services \$25,000 and below may be procured annually by school sites/departments, and school sites/departments may go with the offer meeting their needs at the best price.
- G. Emergency purchases may be made with the knowledge of the Business Office and with the approval of the Superintendent. If the purchase is \$25,000 or greater or is outside the official bid process and/or competitive bidding policy, the Board of Education must be advised promptly.
- H. Sole-Source or Single-Stream purchasing *does not* immediately grant exemption from the purchasing process. If there is more than one potential bidder, the item is not a sole source service or product, and quotes must be obtained. If, the item is a single-source this must be documented and proof must be provided. Continued service agreements that are required to service a purchased product will be considered a sole-source purchase.
- I. Purchases to be made by credit card are to be made through the Purchasing Department ONLY on the district's VISA card. (See "Credit Card Usage")



## **Appendix C – Oak Ridge Schools Financial Policy & Procedures Manual**

- J. With respect to “last-minute” or unplanned purchases, employees must have budget authority/approval from their immediate supervisor in place before an actual purchase is made if they are to be reimbursed for the purchase. If an employee makes a purchase without having an approved purchase order in place or prior approval from his/her supervisor, the employee will not be reimbursed for the purchase he/she has made.
- K. Wherever possible, school sites and departments are encouraged to establish blanket purchase orders with vendors such as Wal-Mart so that budget/purchasing authority is in place at the beginning of the school year, and small, frequent purchases can be made without waiting for approval.

### **Accounts Payable**

- A. Check requests should be initiated through Skyward Financial software. Detailed information regarding purpose, support, and mailing address should be complete to avoid misinterpretations and delays. Account numbers should be confirmed, and available balances should be verified. Check Requests should be used for paying conference registrations, legal fees, continuing contract payments, etc. (They should not be used to circumvent the purchasing policy)
- B. PO amounts should match invoice amounts. If not, then adjustments to the purchase order need to be made before the documents reach Accounts Payable. Purchase orders that indicate “For Payment Only” will not be allowed.
- C. It is necessary to always make a detailed indication where a payment should be mailed. In the case of employees, their home address is required to verify correct vendor number.
- D. For travel payments, all supporting documents with clear instructions for payment must be attached. Conference registrations should include detailed conference information including dates and times. The bookkeeper or approving authority completing payment request forms clearly indicate contact information for questions related to the request. If payment by purchase order is an option, please use this as the preferred method of payment.
- E. It may take up to 5 -7 business days before your request reaches the Business Office. Depending on the timing of receipt of your request, payment may take up to 5 additional processing days. Please plan accordingly.

## **Appendix C – Oak Ridge Schools Financial Policy & Procedures Manual**

- F. Monthly mileage reimbursement requests for within-district travel should be submitted by the 15<sup>th</sup> of the following month.

### **Credit Card Usage**

- A. District-authorized credit cards (Bank of America VISA) will be issued to the following individuals:

- 1) School Board members
- 2) Superintendent
- 2) Executive Directors
- 3) Directors

The individuals listed above should restrict use of their personal ORS credit cards to travel-related expenses. Administrative Procedure 2.800 should be followed for all district credit card usage.

- B. School Principals will be issued district-authorized credit cards (Bank of America VISA).

These shall only be used as needed for purchasing items using Internal School Funds on behalf of an individual school. These shall NOT be used for purchases that are the responsibility of the Board of Education, as those should follow the aforementioned purchasing guidelines.

- C. The Business Office will maintain a district-wide credit card for use when necessary for district purchases previously approved through the requisition/purchase order process.

## **Appendix D – Oak Ridge Schools Personnel Activity Reporting (PAR)**

### **Oak Ridge Schools Personnel Activity Reporting (PAR)**

February 10, 2015

The new Uniform Grants Guidance requirements went into effect for grants awarded after December 26, 2014. These requirements will impact the July 1, 2014 allocations/awards.

Any employee whose wage, salary, and/or fringe is funded in whole or in part by Federal grant funds or Federal contract must complete a time and effort report (Personal Activity Report) to ensure the budgeted time and effort is equivalent to the actual time and effort worked on a program.

The cost objective is included on the Personal Activity Report (PAR). A cost objective is defined as a program, function, activity, award, organizational subdivision, contract or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. If an employee is paid with Federal funds, then a record of work performed must be shown for the Federal Project. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

Personnel records MUST:

1. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated
2. Be incorporated into official records
3. Reasonably reflect total activity for which employee is compensated
  - Not to exceed 100 %

The PAR will be retroactive to July 2014 and will be submitted monthly to the Business Office along with the monthly expenditure report for each Grant.

For further information, please refer to the link for cost principles section:

<http://www.bkd.com/articles/2014/omb-super-circular-offers-new-guidance-for-federal-awards.htm>

Below, is the link for the new Super Circular.

[http://www.ecfr.gov/cgi-bin/text-idx?SID=99a593da14af317bb37114d1fbeb6371&tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?SID=99a593da14af317bb37114d1fbeb6371&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

## Appendix E – Semi-Annual Certification Sample Form

### Semi-Annual Certification Sample

### Oak Ridge School System (LEA 012)

### Principal/Supervisor Semi-Annual Certification/Assurance

I assure that the employees listed below are devoting **100%** of their work time to allowable activities under Title I, Title IIA, Title IID, Title III, Title IV, Title V, Title VI, Title X, HeadStart, or Carl Perkins fund derived from the No Child Left Behind Act of 2001 or other federal funds listed for the *period beginning January 1, 2016 and ending June 30, 2016.*

Name of Employee	Position	Funding Source

**\*Note for Principal/Supervisor:** If you disagree with the above statement for any employee, please draw a line through that employee's name and contact the Federal Program Department immediately.

\_\_\_\_\_  
Principal Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
School/Location Name

\_\_\_\_\_  
Federal Program Director/Administrator

[illegible]