

# **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 December 13, 2016

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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 in order 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)

## **ADDITIONAL LOCAL REQUIREMENT ON OTHER FEDERAL GRANTS**

### **GRANTS**

Grants for educational purposes made available by the state and/or federal government may be sought by the school system but only when the conditions of their availability are in harmony with the purposes and policies of the Board and the laws of the state and county. All staff members are encouraged to seek grant funding. A Preliminary Grant Application Review form is available online at

[http://images.pcmac.org/Uploads/OakRidge/OakRidge/Departments/DocumentsCategories/Documents/Grants\\_PreAppReview\\_FY15.pdf](http://images.pcmac.org/Uploads/OakRidge/OakRidge/Departments/DocumentsCategories/Documents/Grants_PreAppReview_FY15.pdf)

The completed form should be signed by the building principal and forwarded with a copy of the grant application to the Executive Director of Teaching and Learning. Only after receiving approval by Oak Ridge Schools should you submit an application to a granting agency.



## II. Financial Management System

The District maintains a proper financial management system in order 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](#). The required standards include:

#### ***Identification***

The District must identify, 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, the CFDA 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>

#### ***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>

#### **Oak Ridge Schools Financial Reports and Records Policy (BP 2.701):**

The Executive Director of Business & Operations shall submit to the Board of Education at each regular Board meeting a report of all business transacted since the last regular meeting.

The Superintendent shall deliver a quarterly report indicating all receipts and expenditures to the Oak Ridge City Council. Each report shall show the amount of

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

<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*.

the annual appropriation, the amount expended by account to date, the amount encumbered, and the free balance in each account.

The Superintendent or designee shall maintain all 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.

*Individual Schools:* Each Principal shall submit to the Superintendent of Schools or designee at the end of each calendar month on a prescribed form the receipts, expenditures and cash balance of all accounts under his/her jurisdiction. The reports shall be made available to the Board at its request.

### ***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 must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.<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;

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3 [2 C.F.R. §200.302 \(b\) \(3\)](#)

4 [2 C.F.R. §200.303](#)

5 [2 C.F.R. §200.302 \(b\) \(4\)](#)

- Assurance property and money is spent in accordance with grant program and to further the selected objectives; and
- 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

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

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 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 must maintain written procedures to implement the cash management requirements found in EDGAR.<sup>7</sup>

The District uses the reimbursement method for Federal awards. The Federal awarding agency or pass-through entity makes payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.<sup>8</sup> All Federal Requests are made through Tennessee e-Plan. The District maintains adequate cash flow by pooling cash – the sum of unrestricted cash and investments of several accounting funds that are consolidated for cash management and investment purposes. Investment income or expenditure is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### ***Allowable Costs***

The District maintains written procedures for determining allowability of costs in accordance with EDGAR.<sup>9</sup>

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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 §200.305 \(b\) \(3\)](#)

<sup>9</sup> [2 C.F.R §200.302 \(b\) \(7\)](#); See also [2 C.F.R. §200.403](#) *Factors affecting allowability of costs*.

- Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards (See also [Determining Allowability of Costs](#)):
  - Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
  - Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
  - Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the non-Federal entity.
  - Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
  - Be determined in accordance with generally accepted accounting principles (GAAP), except, for State and Federal governments and Indian tribes only, as otherwise provided for in this part.
  - Not be included as a cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
  - Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.
- District Allowable Cost Procedures:
  - Federal funds are to be used to purchase only those supplies, instructional materials, or equipment that are necessary for the participants to participate in and carry out implementation of the specific Federal program/activity.
    - Supply and instructional material items would include, but are not necessarily limited to, supplemental textbooks, consumables, learning laboratories, manipulatives, electronic media, and computer courseware or software.
    - Equipment would be tangible items which have an expected life of more than five years. Items would include, but are not necessarily limited to, electronic media/devices, computers, tablets and printers which would be necessary to the administration of the Federal program.
  - **Federal** travel (within the district) expenses will be paid to Federal program administrators and support staff specifically related to the appropriate Federal program and not to the general needs of the LEA or school and are reasonable and necessary.

- Allocation to provide office supplies for program administration-tangible items which are consumed specifically for the purpose of the Federal program will be allowable
- Registration fees and travel expenses for administrators, teachers, and support staff of Federal programs to attend non-Federal (out of county) conferences or professional development activities are allowable under the following conditions:
  - Allowable professional development activities include, but are not limited to, conferences and workshops which support Federal program initiatives.
  - Allowable travel related expenses are lodging, registrations and overnight meals.
  - Allowable supplies or instructional materials that are necessary for the participants to participate in and carry out implementation of Federal program professional development activity including, but not limited to, books, software, and consumable materials.
- Homeless set-aside funds could potentially be used to purchase supplies and materials as necessary such as: backpacks, personal school supplies, basic medical equipment including eyeglasses and hearing aids, clothing, enrollment necessities: birth certificates, etc. These funds will be used per McKinney-Vento allowable expenditure guidelines.

## 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, time-keeping, 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 with-in the software for each department and grant program by the Business Office, providing imitations, user access, and internal control and approval processes for all purchases and reporting.

## C. Budgeting

### ***Definitions***

The District is Oak Ridge Schools.

**Stakeholder** is the primary requestor or supervisor who manages and implements the stated goals and objectives of the grant.

### ***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. 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 Executive Director of Business & Operations 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.

***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 Executive Director of Business & Operations 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 E-Plan and through Skyward Financial Software 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 on a monthly basis. 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 Supervisor of Business Services. The framework for the accounting system is provided by a chart of accounts and includes the following types of accounts:<sup>10</sup>

- Assets:
- Liabilities:
- Equity:

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10 See [Tennessee Uniform Chart of Accounts](#) and the [Tennessee Standardized System of Accounting and Reporting](#).

- Revenues:
- Expenses:

## E. Spending Grant Funds

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>11</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>12</sup> Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.<sup>13</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>14</sup> The salaries of administrative and clerical staff should normally

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<sup>11</sup> [2 C.F.R. § 200.413\(a\)](#)

<sup>12</sup> [2 C.F.R. § 200.56](#)

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

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

be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:<sup>15</sup>

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

*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.<sup>16</sup>

*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>17</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>18</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.

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<sup>15</sup> [2 C.F.R. § 200.413\(c\)](#)

<sup>16</sup> [Tennessee Indirect Cost Plan Manual](#)

<sup>17</sup> [34 C.F.R. § 75.564](#); [34 C.F.R. § 76.569](#)

<sup>18</sup> [34 C.F.R. § 75.564](#)

### ***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 the State.

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 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>19</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

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<sup>19</sup> [2 C.F.R. § 200.404](#)

is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it. For example, the District may deem a language skills software program necessary for a limited English proficiency program.

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

- Whether the cost is needed for the proper and efficient performance of the grant program.
  - Whether the cost is identified in the approved budget or application.
  - Whether there is an educational benefit associated with the cost.
  - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
  - Whether the cost addresses program goals and objectives and is based on program data.
- 
- **Allocable to the Federal award.** A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received. This means that the Federal grant program derived a benefit in proportion to the funds charged to the program.<sup>20</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.

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<sup>20</sup> [2 C.F.R. § 200.405](#)

- **Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.**
- **Not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.** Some Federal program statutes require the non-Federal entity to contribute a certain amount of non-Federal resources to be eligible for the Federal program.
- **Be the net of all applicable credits.** The term “applicable credits” refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.<sup>21</sup>

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 55 specific cost items (commonly referred to as Selected Items of Cost) at [2 C.F.R. §§ 200.420-200.475](#). These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. 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.

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<sup>21</sup> [2 C.F.R. § 200.406](#)

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 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 proceedings, 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 computer 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
Termination costs	2 C.F.R. § 200.471
Training and education costs	2 C.F.R. § 200.472
Transportation costs	2 C.F.R. § 200.473
Travel costs	2 C.F.R. § 200.474
Trustees	2 C.F.R. § 200.475

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>22</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>23</sup>

Oak Ridge Schools Expenses and Reimbursements are authorized for Central Office, School Personnel, and Board Members (BP 2.804).

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<sup>22</sup> [2 C.F.R § 200.474\(a\)](#)

<sup>23</sup> [2 C.F.R § 200.474\(b\)](#)

## ***The Oak Ridge Schools Comprehensive Travel Policy & Procedures:***

### Meals and Incidentals

#### **Fixed Allowance Per-diem for Meals and Incidentals (M&I) for travel requiring overnight travel:**

Effective 3/1/15 Oak Ridge Schools will provide reimbursement to employees based on a maximum per diem rate for employee travel which includes **a fixed allowance for meals and incidental expenses (M & I)**. The M & I rate, or fraction thereof, is payable to the employee **without itemization of expenses or receipts**. Incidentals are intended to include miscellaneous costs associated with travel such as tips for baggage handling, phone calls to home, etc. Generally, the applicable maximum per diem rate for each calendar day of travel shall be determined by the location of lodging for the traveler.

The per diem rate to be reimbursed to the employee for meals and incidentals only when overnight travel is involved as established on the Reimbursement Rate Schedule. The M & I rates for Tennessee and out-of-state travel are the same as those for federal employees, and are available on the General Services Administration's web site. There is a standard rate for the continental United States (CONUS), and a list of exceptions. **Please note that these rates may change effective October 1 of each year.**

**Day of Departure and Return M&I Per-diem Reimbursement:** Reimbursement for meals and incidentals for the day of departure when overnight travel is required shall be three-fourths of the appropriate M & I rate (either the in-state rate or CONUS rate for out-of-state travel) at the rate prescribed for the actual lodging location. Reimbursement for M & I for the day of return shall be three-fourths of the M & I rate.

**One Day Travel M&I Per-diem Reimbursement:** Reimbursement for a **single meal** (or meals) for employees on one-day travel status with no overnight stay will be at the per-diem rate of \$13.00 with no receipt(s) required.

**Meal Purchase(s) Responsibility:** All meal purchases will be the responsibility of the employee (employee will use personal funds) during school-related travel and no receipts for meal purchases will be submitted for reimbursement. The appropriate per-diem amount will be claimed and paid to the employee upon submission and approval of Travel Expense Statement and PLR.

Administrators and Board members in possession of a personal ORS credit card should restrict their use to travel-related expenses – however, **meal purchases should not be placed on ORS credit cards** due to the M&I Per-diem policy.

#### **Travel Procedures and Tips (Please verify completion):**

All travel must be approved by the employee's supervisor before any arrangements are made.

The authorized form for travel reimbursement is the Oak Ridge Schools Travel and Expense Statement.

- When submitting items for travel reimbursement, the following requirements are applicable:
  - 1) Attach all original itemized receipts for lodging, transportation, etc. Credit card payment slips will not be accepted. (Note: Effective 3/1/15 receipts for meal purchases are not required – per-diem rates will be applicable)
  - 2) A separate form must be completed by each claimant.
  - 3) All signatures must be original. No stamped or copied signatures will be permitted.
  - 4) Requests for pre-payment of common carrier fare, registration, lodging, or any other charge must be supported and accompanied by some form of official communication from the provider that specifies the rate(s) being charged.
- Upon return from travel, submit the hotel statement to Business Services so that verification of correct credit card charges and tax-exempt status charges.
- All pre-travel documents pertaining to reimbursement (ex: PLR) must be signed, approved, and submitted to the Business Office before commencing travel.
- All employees should submit claims for reimbursement as soon as possible following completion of travel (within 30 days per Board Policy 2.804). In accordance with Internal Revenue Service guidance (IRS Publication 463), reimbursement paid sixty (60) days after the date of travel may be considered as taxable income.
- AUTHORIZATION FOR TRAVEL WILL NOT BE GRANTED AND EXPENSES WILL NOT BE REIMBURSED UNLESS THE TRAVEL IS MADE AND REIMBURSEMENT CLAIMED IN ACCORDANCE WITH THESE REGULATIONS AND ANY APPROVED EXCEPTIONS THERETO.

#### ***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?
- 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 will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 C.F.R. Part 205. Generally, the District receives payment from the TDOE on a reimbursement basis.<sup>24</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>25</sup>

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, in any situation where the State draws from the G5 system in advance

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<sup>24</sup> [2 C.F.R. § 200.305](#)

<sup>25</sup> [2 C.F.R. § 200.305\(b\)\(9\)](#)

of the District using non-Federal funds to pay vendors and/or employees, the only events and dates that are relevant are: 1) the date on which the Federal grant funds are drawn down by the State; and 2) the date on which those funds are disbursed by the District. Any interest earned on those funds while on-deposit in the District's bank account after drawdown and before disbursement must be included in the interest earned calculation.

### ***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 will request funds without prior approval. Reimbursement requests will be submitted via ePlan.<sup>26</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 Supervisor of Business Services (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.

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<sup>26</sup> [ePlan Basics](#)

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

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's average interest rate. The District may retain up to \$500 of interest earned per year. Within 30 days of the end of the quarter, the District will remit interest earned on U.S. Department of Education grants in excess of \$500 to Department of Health and Human Services Payment Management System, Rockville, MD 20852. No reimbursements are received until funds are expended, which negates the need for interest calculation or remittance. However, in the event interest is due, the District Accountant will calculate the amount of interest due and submit to the Supervisor of Business Services for payment approval. Any cash balances for federal grants will be tracked, calculated, and reported by the District Accountant on a monthly basis to determine any amount to be remitted to the U.S. Department of Education.

#### G. Timely Obligation of Funds

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

Obligations are orders placed for property and services, contracts and sub-awards made, and similar transactions during a given period that require payment by the District during the same or a future period.<sup>27</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 w commitment to acquire the property
Personal services by an employee of the Distr	When the services are performed

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<sup>27</sup> [2 C.F.R. § 200.71](#)

Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding 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.

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

### ***Period of Availability of Federal Funds***

All obligations must occur on or between the beginning and ending dates of the grant project.<sup>28</sup> This period of time is known as the period of availability. The period of availability is dictated by statute and will be indicated in the grant award letter. Further, certain grants have specific requirements for carryover funds that must be adhered to.

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>29</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.

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<sup>28</sup> [34 C.F.R. § 76.707](#)

<sup>29</sup> [34 C.F.R. § 76.709](#)

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>30</sup> Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency.<sup>31</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>32</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.<sup>33</sup> Any carryover funds are automatically transferred to the current grant application to be budgeted prior to expending. 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.

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<sup>30</sup> [2 C.F.R. § 200.343\(b\)](#)

<sup>31</sup> [2 C.F.R. § 200.343\(d\)](#)

<sup>32</sup> [34 C.F.R. § 76.709](#)

<sup>33</sup> [ePlan Basics](#)



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>34</sup>

## 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>35</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>36</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>37</sup>

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<sup>34</sup> [2 C.F.R. § 200.308\(d\)\(2\)](#)

<sup>35</sup> [2 C.F.R. § 200.80](#)

<sup>36</sup> [2 C.F.R. § 200.80](#)

<sup>37</sup> [2 C.F.R. § 200.307](#)

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

The default method for the use of program income for the District is the deduction method.<sup>38</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>39</sup> The LEA 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>40</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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38 [2 C.F.R. § 200.307\(e\)](#)

39 [2 C.F.R. § 200.307\(e\)\(1\)](#)

40 [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 Executive Director of Business & Operations 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 Executive Director of Business & Operations.

#### **Oak Ridge Schools Requisitions Policy (BP 2.807)**

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.

#### 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. The methods of procurement used by the District can include the following: procurement by micro-purchases (under \$2,500), small purchases (\$2,500 to \$24,999.99), sealed bids (\$25,000 and above), competitive proposals (\$25,000 and above), and

with the approval of the Superintendent of Schools procurement by noncompetitive proposals. The type of purchase procedures required depends on the cost of the item(s) being purchased. Note, if State or Federal procurement policy is more restrictive than the Federal purchase methods below, districts must always follow the most restrictive policy.

#### **Oak Ridge Schools Purchasing Policy (BP 2.805)**

The District will purchase competitively and seek maximum educational value for every dollar expended. The Superintendent of Schools will designate a member of his/her staff to serve as the purchasing agent for the Board.

Routine Purchases: Expenditures for supplies, salaries, and routine expenditures required for the operation of the school system will be anticipated and provided for in the budget and will normally be authorized by the Board at the beginning of the fiscal year. These routine purchases will be made without further Board authorization; however, the Board will be promptly notified if any substantial variation from budgeted estimates occurs or becomes necessary.

#### **Oak Ridge Schools Bids and Quotations Policy (BP 2.806)**

All purchases of supplies, materials, equipment, and contractual services in excess of twenty-five thousand dollars (\$25,000), including those of individual schools, will be based on formal sealed competitive bids. These bids will be solicited by advertisement in a newspaper of general circulation in the City of Oak Ridge. This advertisement requirement may be waived in an emergency. The Principal will serve as the purchasing agent in each school.

The lowest and best bid will be accepted, provided the Board reserves the right to reject any or all bids or any part of any bid and, if applicable to accept that bid which is best as evidenced by reasons relative to the purpose of the purchase. Any bid may be withdrawn prior to the scheduled time for the opening of the bids. Any bid received after the time and date specified will not be considered.

The bidder to whom the award is made may be required to enter into a written contract.

The practice of splitting an order or dividing items to be purchased in order to avoid the use of bidding or other purchasing procedures is strictly prohibited.

All purchases between \$2,500 and \$24,999, including those of individual schools, may be made in the open market without newspaper notice, but shall, whenever possible, be based on at least three (3) competitive bids through direct mail request to prospective bidders, telephone, facsimile machine, email, or online.

Contracts for legal services, educational consultants, and similar services by professional persons or groups will not be based on competitive bids, but will be awarded based on recognized competence and integrity.

All purchases made by the school system will be by purchase order or formal contract, and no purchase will be made nor payment approved unless covered by approved purchase order or contract.

#### **Oak Ridge Schools Purchase Orders and Contracts Policy (BP 2.808)**

All purchases made by the school system shall be by purchase order, check request, or formal contract, and no purchase shall be made nor payment approved unless covered by an approved purchase order.

Purchase orders will include the following essentials:

- A specification which adequately describes to the supplier the characteristics and the quality standard of the item required;
- A firm, quoted, net delivered price, whenever possible; and
- Signatures of the Superintendent and Executive Director of Business & Operations.

Contracts shall be made only with responsible suppliers with the following considerations:

- The supplier has the potential ability to perform successfully under the terms and conditions of a proposed procurement;
- A system for contract administration shall be maintained to assure supplier conformance with terms, conditions, and specifications of the contract or purchase order, and to assure adequate and timely follow-up on all purchases;
- Contracts shall contain such provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where suppliers violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate;

- All contracts, including those of individual schools, will meet all requirements of State and Federal laws, rules, and regulations.

### ***Purchases up to \$25,000***

T.C.A. Annotated (T.C.A.) allows a district to choose to follow the prescribed purchasing procedures of the district's governing body, or to develop its own policies and procedures. **The District follows the City of Oak Ridge's prescribed purchasing procedures found in the City Charter Chapter 2, Sections 5.403, 5.407, 5.408, 5.409, 5.410, 5.411, and 5.412.** T.C.A. § 49-2-203 (a)(3)(B) States, "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids."

## **Oak Ridge Schools Purchasing Procedure District Level Purchases under \$25,000**

### **I. Preparation of Requisitions**

- a. The Superintendent of Schools will designate personnel to be responsible for preparing requisitions.
- b. 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.
- c. The request is entered into the District's electronic financial management system.
- d. The electronic system sends the requisition through a chain of command for approval that includes: the department supervisor, applicable Executive Director, applicable Grant/Program Director and the Business Services Supervisor.

### **II. Soliciting Quotes (under \$25,000)**

- a. **Purchases under \$2,500**
  - i. Purchases less than \$2,500 may be made without soliciting competitive quotations if the District considers the price to be reasonable.
- b. **Purchases between \$2,500 and \$25,000**
  - i. If the purchase is \$2,500 to \$24,999.99 a price or rate quote must be obtained from at least three sources.
  - ii. Competitive quotes may be solicited by direct mail request to prospective bidders, telephone, facsimile machine, email, or online. A record of these quotes should be maintained.
  - iii. The lowest responsive and responsible quote should be sought.

### III. Preparing Purchase Orders

- a. Once purchases are 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.
- b. The computer system automatically assigns purchase order numbers in sequential order.
- c. 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.
- d. 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.

### IV. Making Payments for Goods

- a. The department receiving materials, supplies, or equipment should inspect those items for damage, shortages, or errors in items shipped.
- b. 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.
- c. Purchasing Specialist will audit supplied documentation from department head, attach any additional information, and forward to Accounts Payable.
- d. Accounts Payable shall submit payment to the vendor.
- e. A record of quotes, requisitions, purchase orders, invoices, and checks must be kept as required by records retention schedules.<sup>41</sup>

#### ***Purchases \$25,000 and Above***

T.C.A. Annotated allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures. **The District follows the City of Oak Ridge's prescribed purchasing procedures found in the City Charter Chapter 2, Sections 5.403, 5.407, 5.408, 5.409, 5.410, 5.411, and 5.412.** Regarding purchases estimated to exceed ten thousand dollars (\$10,000), T.C.A. § 49-2-203 (a)(3)(A) States "All expenditures for such purposes may follow the prescribed procedures of the LEA's respective governing body, so long as that body, through its charter, private act or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that,

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<sup>41</sup> [Tennessee Records Retention Schedules](#)

if a newspaper advertisement is required, it may be waived in case of emergency. If the LEA chooses not to follow the Federal governing body's purchasing procedures, all expenditures for such purposes estimated to exceed ten thousand dollars (\$10,000) or more shall be made on competitive bids, which shall be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in the event of an emergency. School districts that have a purchasing division may use a comprehensive vendor list for the purpose of soliciting competitive bids; provided, further, that the purchasing division shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement."

**Oak Ridge Schools Purchasing Procedure**  
**District Level Purchases \$25,000 and Above**

**I. Preparation of Requisitions**

- a. The Superintendent of Schools designates personnel responsible for preparing requisitions.
- b. 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.
- c. The request is entered into the District's electronic financial management system.
- d. The electronic system sends the requisition through a chain of command for approval that includes: the department supervisor, applicable Executive Director, applicable Grant/Program Director, and the Business Services Supervisor

**II. Soliciting Bids/Proposals (\$25,000 and Above)**

**a. Identify the Preferred Procurement Method**

- i. The District uses these methods of procurement for purchases \$25,000 and up:
  - **Competitive sealed bidding** is the preferred method of procurement for purchases in excess of \$25,000 and should be used whenever possible. This method is based solely on price and an Invitation for Bid (ITB) should be prepared.
  - **Competitive sealed proposals** consider other factors in addition to price to determine award. When this method is used a Request for Proposal (RFP) should be prepared and must include a points system for the evaluation criteria.
  - **Qualifications-based procurement** the basis for selection is based on qualification and price is not a factor (only used for architecture and engineering). See Competitive Proposals below.



- **Noncompetitive proposal (Sole Source)** is solicitation from only one source and is not the preferred method of procurement. Records justifying the use of noncompetitive procurement should be documented.
- ii. The District encourages cooperation (piggybacking) with other governmental agencies and intergovernmental purchasing organizations for the purchase of like supplies, materials, equipment, and services. Purchases already bid and awarded in compliance with Tennessee law can be used without the District going through the bidding process. 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 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:
  - a. [National BuyBoard](#),
  - b. [National Joint Powers Alliance](#) (NJPA),
  - c. [The Interlocal Purchasing System](#) (TIPS),
  - d. 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.

**b. Prepare the Solicitation Document**

- i. **ITB** - When the selection of a successful bidder can be made solely based on price, an ITB should be prepared and include:
  - A clear and accurate description of the technical requirements for the material, product, or service to be procured ([see below](#)),
  - All requirements which offerors must fulfill and all other factors to be used in evaluating bids or proposals, and

- The date, time, and place where the bids will be opened.
  - ii. **RFP** - When the procurement lends itself to factors in addition to price, a RFP should be prepared and include:
    - All evaluation factors and their relative importance on a point system ([see below](#)),
    - Specifications for the items or services ([see below](#)),
    - All requirements which offerors must fulfill and rules for bidding, and
    - The date, time, and place where the bids will be opened.
  - iii. **RFQ** - When the procurement is solely based on qualifications (architectural or engineering), a RFQ should be prepared.
- c. **Bid Advertisement**
- i. The Purchasing Specialist in the District Business Office should be contacted on any bids \$25,000 and 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.
  - ii. 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.
- d. **Receipt of Sealed Bids/Proposals**
- i. 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.
  - ii. 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.
  - iii. If only one response is received, the respondent can be awarded or re-bid upon the District's discretion.
  - iv. 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.
- e. **Review of Bids/Proposals**
- i. 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.
  - ii. 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.

- iii. The proposals should be ranked and the lowest responsive and responsible bidder, considering the factors listed in the solicitation document, and should be recommend to the Board to receive the award.

### III. Preparing Purchase Orders

- a. Once purchases are 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.
- b. The computer system automatically assigns purchase order numbers in sequential order.
- c. 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.
- d. 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 complete), and one is kept on file in the Purchasing Office.

### IV. Making Payments for Goods

- a. The department receiving materials, supplies, or equipment should inspect those items for damage, shortages, or errors in items shipped.
- b. 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.
- c. Purchasing Specialist will audit supplied documentation from department head, attach any additional information, and forward to Accounts Payable.
- d. Accounts Payable shall submit payment to the vendor.
- e. A record of quotes, requisitions, purchase orders, invoices, and checks must be kept as required by records retention schedules.<sup>42</sup>

#### Competitive Proposals

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

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<sup>42</sup> [Tennessee Records Retention Schedules](#)

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

For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients.

### **Oak Ridge Schools 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.

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

*Contract/Price Analysis:* A cost or price analysis is performed in connection with every procurement action in excess of \$150,000, including contract modifications.<sup>43</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>44</sup>

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<sup>43</sup> [2 C.F.R. § 200.323\(a\)](#)

<sup>44</sup> [2 C.F.R. § 200.323\(a\)](#)

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 subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.<sup>45</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:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the 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 or Federal 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.

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<sup>45</sup> [2 C.F.R. § 200.323\(b\)](#)

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

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

#### ***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, requisitions/purchase order/travel authorizations are required prior to all these purchases there, 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](#). 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.

### ***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.

### ***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>46</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

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<sup>46</sup> [2 C.F.R § 200.319\(c\)](#)

approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.<sup>47</sup>

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

To foster greater economy and efficiency, the District shall enter into State and Federal intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.<sup>48</sup>

When using cooperative contracts, the District should:

- Compare cooperative contracts available for the required goods or services and evaluate whether the use of a cooperative contract is appropriate.
- Obtain the necessary contract documents for file including:
  - Solicitation,
  - Evaluation report,
  - Winning proposal/ bid, and
  - 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.

- 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.

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

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



### ***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>49</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>50</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>51</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.

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.

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

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

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

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>52</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>53</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.

### **Oak Ridge Schools Protest Procedure**

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.

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<sup>52</sup> [2 C.F.R. § 200.318 \(i\)](#)

<sup>53</sup> [2 C.F.R. § 200.318 \(k\)](#)

## F. Conflict of Interest Requirements

### ***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.

### **Oak Ridge Schools Ethics Policy (BP 5.611)**

An effective education program requires the services of men and women of integrity, high ideals and human understanding. To maintain and promote these essentials, all employees are expected to maintain high standards in their school relationships. These standards include the following:

1. The maintenance of just and courteous professional relationships with students, parents, staff members, and others;
2. The maintenance of their own efficiency and knowledge of the developments in their fields of work;
3. The transaction of all official business with the properly designated authorities of the school system;
4. The establishment of friendly and intelligent cooperation between the community and the school system;

5. The representation of the school system on all occasions that the contributions of the school system to the community are recognized;
6. The welfare of children as the first concern of the school system when placing professional personnel. The use of pressure on school officials for appointments or transfers is unethical;
7. Restraint from using school contacts and privileges to promote partisan politics, sectarian religious views or selfish propaganda of any kind;
8. The responsibility to make any criticism of other staff members or of the school system directly to the particular school administrator who has the administrative responsibility for improving the situation and then to the Superintendent of Schools, if necessary; and
9. The proper use and protection of all school properties, equipment and materials.

#### **Oak Ridge Schools Conflict of Interest Policy (BP 5.601)**

Employees of the Oak Ridge Schools will not engage in, or have financial interest in, any activity that raises a reasonable question of conflict of interest with their duties and responsibilities as members of the school staff. This includes but is not limited to the following:

1. School employees may not purchase for sale to students any goods or equipment or render any service to the school system on a commission basis;
2. Employees who have patented or copyrighted any device, publication, or other item will not receive royalties for use of such item in this school system;
3. Employees will not engage in any type of work where the source of information concerning a customer, client, or employer originates from information obtained through the school system;
4. The school system shall make no purchase of supplies, materials, or equipment from a school system employee; and
5. Employees shall not solicit for the purpose of selling instructional supplies, equipment and reference books in a territory that includes the parents of the children of the school in which the employee is assigned.

#### **Oak Ridge Schools Conflict of Interest Policy (BP 5.601)**

Administrative and supervisory personnel shall have no financial interest, directly or indirectly, in supplying books, maps, school furniture, or apparatus for the

schools or to act as agent for any author, publisher, bookseller, or dealer in school furniture or apparatus.

### ***Organizational Conflicts***

Organizational conflicts 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>54</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:

- 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 shall disclose in writing the potential conflict to the Federal awarding agency in accordance with applicable Federal awarding agency policy.

## **G. Contract Administration**

The District shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.<sup>55</sup> The stakeholder

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<sup>54</sup> [2 C.F.R. § 200.318\(c\)\(2\)](#)

<sup>55</sup> [2 C.F.R. § 200.318](#)

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.

#### 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>56</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;
- 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.

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<sup>56</sup> [2 C.F.R. § 200.321](#)

## 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 the lesser of the capitalization level established by the District for financial Statement purposes, or \$5,000.<sup>57</sup>

Supplies means all tangible personal property other than those described in [2 C.F.R. § 200.33](#) Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial Statement purposes or \$5,000, regardless of the length of its useful life.<sup>58</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>59</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>60</sup>

#### **Oak Ridge Schools Policies and Procedures for Fixed Asset Reporting**

- Dollar threshold shall be \$5,000 (individual item) and an estimated useful life in excess of one year.
- Donated capital assets are recorded at their fair market values as of date received.

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<sup>57</sup> [2 C.F.R. § 200.33](#)

<sup>58</sup> [2 C.F.R. § 200.94](#)

<sup>59</sup> [2 C.F.R. § 200.20](#)

<sup>60</sup> [2 C.F.R. § 200.12](#)

- Depreciation shall be straight-line (yearly) method.
- Cost will be determined by invoice/bid/purchase order, research of historical or estimated historical costs.
- New additions to fixed assets will be kept in a file and added to fixed asset report at the end of each fiscal year. Tagging will be done on site by school system personnel.
- Sold/transferred/salvaged items must be documented as to date and method of disposal. Surplus property having no value or having a value of less than \$250 must be recorded on disposal form in compliance with TCA 49-6-2007. The transaction will be identified and recorded at the end of each fiscal year.

All capital assets of the District are depreciated over the following estimated useful lives:

<b>Asset Type:</b>	<b>Years</b>
Buildings and Improvements	20-50
Machinery and Equipment	3-20
Computer Hardware and Software	5-10
Food Service Equipment and Fixtures	15
Buses	15
Vehicles	5-8
Furniture and Fixtures	20
Athletic Facilities	10-20

## 2. Inventory Procedure

### **Oak Ridge Schools Federal Inventory Procedure (BP 2.702)**

Property records of equipment purchased with federal dollars must be maintained that include a description of the property; a serial number or other identification number; the source of property; who holds title; the acquisition date; the cost of the property; the percentage of Federal participation in the cost of the property; the location, use and condition of the property; and any ultimate disposition data including the date of disposal and sale price of the property.

All property valued above one hundred dollars (\$100) is tagged by the Federal Program Grant Administrator or their designee within the department 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.



### 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;
- 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 complete a surplus property disposal form. The inventory is reconciled at both the building and the Federal Programs Grant Administrator's Office.

#### **Oak Ridge Schools Equipment and Supplies Management Policy**

The Oak Ridge Schools will use the State of Tennessee's definition of equipment as follows: all items of machinery, implements, tools, furniture, livestock, vehicles, and other apparatus purchased with a unit cost of \$5000.00 or more and a minimum useful life expectancy of three (3) years; freight charges and installation cost should be included as cost of equipment; sensitive minor equipment is defined as items purchased with a cost between \$100.00 and \$5000.00; these minor sensitive equipment items include computers, external computer peripherals, televisions, VCRs, cameras, and weapons.

All equipment and materials placed in school buildings by any group or organization become the property of the Oak Ridge Schools.

All employees are responsible for the materials, equipment, and supplies assigned to them.

Every employee is expected to report the misuse of materials, equipment, and supplies that he/she may have knowledge of. Should any equipment be stolen, it will be reported to Federal law enforcement and a police report will be obtained and maintained on file.

Educational equipment items purchased with **Federal funds** will be inventoried on an equipment log/data base to include description, serial/other identifying numbers, source, titleholder, acquisition date, cost, percentage of Federal participation in cost, location,

change in location, change in condition, and disposition date and sale price. The system will have a plan for these equipment items requiring regular maintenance to insure that the equipment attains a normal life expectancy. If such equipment is disposed of, the system will assess a residual value of the equipment before disposal. If the residual value exceeds \$5000.00, the system will refund the Federal government its fair share of the proceeds from the disposition. The system will notify the State department of education of our schedule for physical inventory of equipment and notify the State department of education of the results of the inventory once completed.

All items of equipment (with the exception of those Federally funded items listed in the paragraph above) having a residual value of \$0.00 to \$250.00 may be disposed of without the necessity for bids. Such disposal will be documented by the use the surplus disposal form that may be obtained through the finance department.

#### 4. Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records once every year.

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.

#### **Oak Ridge Schools Inventories Policy (BP 2.702)**

The Department of Business Services shall establish an accurate inventory procedure for all school real and personal (e. g., material and equipment) property, and this system shall be implemented at each school and system facility. Administrative personnel shall ensure that a physical count of all such property is taken at the end of each fiscal year, and this inventory shall be properly entered on the appropriate records for accounting purposes.

Each school shall maintain a complete inventory with a duplicate maintained in the central office.

The director will establish procedures for administrators to follow which meet all Federal accountability guidelines, including guidelines for purchasing, inventorying, security and disposition of all equipment purchases with Federal funds.

Equipment procured with federal Dollars: Property records of equipment purchased with federal dollars must be maintained that include a description of the property; a serial number or other identification number; the source of property; who holds title; the acquisition date; the cost of the property; the percentage of Federal participation in the cost of the property; the location, use and condition of the property; and any ultimate disposition data including the date of disposal and sale price of the property.

A physical inventory of the property must be taken and the results reconciled with the records at least once every two years.

The Department of Business Services shall establish procedures that meet all federal requirements, including guidelines for the purchasing, inventorying, security and disposition of all equipment purchased with federal funds.

## 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:

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

### **Oak Ridge Schools Equipment and Supplies Management (BP 3.300)**

The Superintendent shall develop procedures ensuring the useful life of equipment and supplies. Equipment management shall be in accordance with federal and state laws, regulations and guidelines.

Employees of the system are responsible for the materials, equipment and supplies assigned to them. In addition, employees are responsible for the

reasonable preservation and protection of materials, equipment and supplies not under their direct control.

## 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.

### **Oak Ridge Schools Security Policy (BP 3.205)**

The Superintendent shall establish procedures to protect school property which shall include, but not be limited to:

1. Closing and securing teacher work areas when left unattended or at the end of the day;
2. Denying students permission to use the classrooms, laboratories, gymnasiums, or other school facilities or equipment without appropriate supervision;
3. Controlling the issuance of building keys;
4. Developing programs which contribute to the proper care and use of school facilities and equipment;

Equipment purchased with Federal funds shall be managed as directed by Federal and State law.

The Principal shall call law enforcement officials in cases involving illegal entry, theft, or vandalism.

The Principal shall notify the Superintendent as soon as practical but no longer than 24 hours after a case of vandalism, theft, building damage and/or illegal entry.

The Superintendent, or his/her designee, is authorized to sign a criminal complaint and to press charges against perpetrators for vandalism against school property.

## 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.

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.

## 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.

## 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>61</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>62</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>63</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>61</sup> [2 C.F.R. § 200.430\(i\)\(1\)](#)

<sup>62</sup> [2 C.F.R. § 200.430\(i\)\(4\)](#)

<sup>63</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.

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

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>64</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 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>64</sup> [2 C.F.R. § 200.28](#)

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>65</sup> (2) the extent to which employees may provide professional services outside the District;<sup>66</sup> (3) the provision of fringe benefits, including leave and insurance;<sup>67</sup> (4) the use of recruiting expenses to attract personnel;<sup>68</sup> and (5) reimbursement for relocations costs.<sup>69</sup>

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

Opportunity for employment, as well as continuation and advancement in employment, shall be afforded equally to members of all races, creeds, colors, genders, religions, ages, national origins, individuals with disabilities or veteran status, military status, citizenship status, and gender identity with regard only for qualifications for the positions involved.

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

#### **APPLICATION**

An individual desiring a position with the Oak Ridge Schools shall make application to the system on forms developed by the district. To ensure the safety and welfare of students and staff, the district shall require criminal history background checks

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65 [2 C.F.R. § 200.430\(a\)\(2\)](#)

66 [2 C.F.R. § 200.430\(c\)](#)

67 [2 C.F.R. § 200.431\)](#)

68 [2 C.F.R. § 200.463\(b\)](#)

69 [2 C.F.R. § 200.464](#)



and fingerprinting of applicants for teaching positions and any other positions that require proximity to children.

Knowingly falsifying information shall be sufficient grounds for termination of employment and shall also constitute a Class A misdemeanor which must be reported to the District Attorney General for prosecution.

Any costs incurred to perform these background checks and fingerprinting shall be paid by the district.

*Professional Employees:* The application must include degrees and credits earned at the colleges or universities attended along with references from persons such as previous employers, college professors, and supervisors of student teachers. Other information shall include whether such applicant has been dismissed for cause from a school system. If previously employed by a local board of education, the applicant shall provide evidence of acceptable resignation.

No person shall be employed:

1. Who does not hold a valid license to teach from the State Board of Education;
2. Who does not present a physician's certificate showing a satisfactory health record or has any contagious or communicable disease in such form that might endanger the health of school children.
3. Who refuses to take and subscribe to an oath to support the Constitution of the State of Tennessee and of the United States of America;
4. Who fails to make a full disclosure of any prior criminal record and any prior dismissals from employment for cause; or
5. Who does not receive a satisfactory background check.
6. Who has not complied with the Immigration Reform and Control Act of 1986.

*Support Employees:* No person shall be employed:

1. Who has any contagious or communicable disease in such form that might endanger the health of the children;
2. Who has not complied with the Immigration Reform and Control Act of 1986;
3. Who fails to make a full disclosure of any prior criminal record and any prior dismissals from employment for cause; or
4. Who does not receive a satisfactory background check.

*Administrative Positions Requiring Oak Ridge Residency:* Because of the need for persons in administrative positions who have direct contact with students to be

thoroughly familiar with the community and to be available beyond the regular day, the following administrative positions will require residency within the City of Oak Ridge:

- Superintendent
- Assistant Superintendent for Instruction
- Director of Pupil Services
- Director of Special Education
- Principals
- Assistant Principals

#### **EMPLOYMENT:**

*Licensed Employees:* After checking references and receiving written recommendations, the Superintendent may hire and assign qualified applicants.

*Initial Employment:* Upon initial employment, the Superintendent shall notify such person, in writing, of the offer and conditions of employment. Upon receipt of employment notification, such person shall have fourteen (14) days to accept or reject, in writing, the offered employment. From the date of the written acceptance, such person is considered to be under employment with the Board and is subject to all rights, privileges and duties.

*Support Employees:* After checking references and receiving written recommendations from principals and/or supervisors, the Superintendent may hire and assign qualified applicants.

All employees have access to the Oak Ridge Schools Employee Policies and Benefits Handbook found on the District's website and printed copies are available at the Central Office.

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

##### **LICENSED PERSONNEL:**

A given licensed position may require additional hours during evenings or other times when offices may be closed. Outside employment is regarded as employment for compensation that is not within the duties and responsibilities of the employee's regular position with the school system.

An employee will not perform any duties related to an outside job during their regular working hours or during the additional time that the responsibilities of the

position require, nor will an employee use any district facilities, equipment or materials in performing outside work. This includes the district's computer systems and networks and any configuration of hardware and software. The systems and networks include all of the computer hardware, operating system software, stored text and data files. This includes but is not limited to, electronic mail, local databases, externally accessed databases (such as the Internet), CD-ROM, optical media, clip art, digital images, digitized information, communications technologies, and new technologies as they become available. The school system reserves the right to have all technology resource activity monitored.

The district's technology resources will be used only for learning, teaching and administrative purposes consistent with the school system's mission and its goals. Commercial use of the district's system is strictly prohibited.

When the periods of work are such that certain evenings, days or vacation periods are duty-free, the employee may use such off-duty time for the purposes of compensation provided all the following conditions are met:

1. The work in no way interferes with the degree of effectiveness of their work in the school system;
2. The work in no way reflects detrimentally upon the school system or its prestige;
3. Such outside obligations do not prevent the individual from assuming duties required by the regular position; and
4. The individual does not receive compensation for work that is customarily within their regular position.

#### **SUPPORT PERSONNEL:**

Support personnel shall not be prohibited from holding employment outside the school system so long as such employment does not interfere with regular and overtime scheduled duties for the school system.

#### **Tutoring for Pay (BP 5.608)**

Any teacher may enter into an agreement with parents for tutoring children for a fee, but this practice must be limited to those children who the teacher is not currently exercising teaching, administrative or supervisory responsibility.

School facilities may not be used for private profit.

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

#### **EMERGENCY LEAVE:**

An immediate supervisor may grant a licensed employee emergency leave during the workday for a sudden, unexpected occurrence demanding immediate attention. Leave shall be taken as personal leave, sick leave or leave without pay. The employee who uses emergency leave shall confirm said leave in appropriate systems the day after returning to work.

Principals or administrative supervisors shall keep a tally of the amount of time individual employees are released under this policy and when the total time reaches one (1) day, the employee shall be charged with one (1) day of applicable leave.

*Support Personnel:* A maximum of three (3) days per school year with pay may be taken for emergency leave. Emergency leave is not accruable and must be approved by the requestor's supervisor.

#### **JURY DUTY:**

If a teacher summoned for jury duty is eligible for a postponement of jury service, that teacher shall request a postponement until a time outside the academic year so that disruption to the instructional year may be avoided. The following procedures shall regulate the leave for jury duty for teachers:

1. The teacher shall present written evidence that s/he had been summoned to serve on a jury; and
2. The teacher shall be entitled to the usual compensation, less the amount paid by the court.

#### **COURT APPEARANCES:**

If a teacher appears in state court because of a personal interest, whether as a plaintiff, defendant or witness or voluntarily appears in behalf of a family or friends, or when a teacher is required to appear in court either as a defendant or plaintiff in a civil case, personal leave or leave without pay shall be granted in accordance with the established board policies on leaves.

*Support Personnel:* Support personnel called for jury duty to who serve as court witnesses shall present the subpoena or other documents which give reporting

instructions to the immediate supervisor. The employee shall obtain a form indicating the days served and the court pay to be received from the court's clerk for submitting to the payroll office. The employee shall receive the usual compensation less the amount paid by the court.

#### **Oak Ridge Schools Sick Leave Policy (BP 5.302)**

##### **LICENSED PERSONNEL:**

Licensed personnel shall earn one (1) day of sick leave for each month employed during the school year, and these days shall accumulate for an unlimited number of days.

A certificate from the physician may be required in support of any claim for sick leave pay.

The principal shall notify the human resources' office at once if an employee is sick beyond the limit of his/her sick leave accumulation.

Permanent, cumulative sick leave records for each active licensed employee shall be kept in the payroll office.

An employee, upon employment, may transfer his/her accumulated sick leave from another Tennessee school system, provided that the superintendent of schools of the system in which the accumulated leave was held provides notarized verification.

##### **SUPPORT PERSONNEL:**

Support personnel shall earn one (1) day of sick leave for each month an employee is employed.

At the time of the employment of any employee, all unused sick leave accumulated by the employee shall be forfeited unless used in accordance with TCRS retirement rules.

The immediate supervisor may require a physician's certificate stating the reason for absence.

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

Personal and professional leave shall be granted in accordance with the laws of the State of Tennessee and the rules and regulations of the State Board of Education.

Licensed employees shall receive three (3) days of personal and professional leave. Any personal leave remaining unused at the end of a year shall be credited to sick leave.

If, at the termination of services, any employee has been absent for more days than leave has been earned, an amount sufficient to cover the excess days used shall be deducted from the employee's final salary payment.

Professional leave is a short, temporary absence for the purpose of attending workshops and other meetings relating to school business...

## 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>70</sup> The District also maintains records of significant project experiences and results.<sup>71</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>72</sup> Consequently, the District retain records for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.<sup>73</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-2056 – Tennessee Department of Education Records Retention Schedule
- CTAS-2063 – Accounting, Purchasing and Other Miscellaneous Records
- CTAS-2065 – Employment Records Retention Schedule

### B. Collection and Transmission of Records

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<sup>70</sup> [34 C.F.R. §§ 76.730-.731](#) and §§ [75.730-.731](#)

<sup>71</sup> [34 C.F.R. § 75.732](#)

<sup>72</sup> [34 C.F.R. § 81.31\(c\)](#)

<sup>73</sup> [2 C.F.R. § 200.333](#)

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)**

The Superintendent or designee shall maintain all 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.

#### **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. 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**

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 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 work stations.
- 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.

1. Anyone requesting access to or copies of public records must show a valid Tennessee Driver's License or other government issued identification containing an address prior to accessing the requested records or information.
2. An "Inspection/Duplication of Records Request" form is to be filled out by the records custodian. If the requestor brings the form in, sections 1-4 should be filled out. Otherwise the records custodian is to fill in sections 1-5 and 8. This form can be found at [Tennessee Comptroller Office of Open Records](#). Do not sign and date the signature line until the records are delivered to the requestor.
3. If the records requested are not readily available, within seven (7) business days the records custodian will reply as follows:
  - Allow access to the requested records;
  - Deny the request in writing with the legal basis for the denial cited;
  - Provide, in writing, the reasonable and/or necessary time needed to produce the requested records.
4. When copies of documents are requested, the records custodian will assess a charge of fifteen (15) cents per page for each standard 8 ½ x 11 or 8 ½ x 14 black and white copy produced. A records custodian may assess a requestor a charge for a duplex copy that is the equivalent of the charge for two (2) separate copies. If a public record is maintained in color and the record can be produced in color, and the requestor requests a color copy, a records custodian may assess a charge of fifty (50) cents per page. Citizens are entitled to receive an estimate of reasonable costs to produce copies. Pursuant to Tennessee law, a records custodian may require payment for the requested copies or duplication prior to the production of copies.

5. If the actual costs are higher than those reflected above or if the requested records are produced on a medium other than standard paper, the records custodian may develop its own charge.
6. Outside vendor expenses to produce copies of requested records because the custodian is legitimately unable to produce the copies in his/her office may be recovered from the requestor.
7. If the records custodian is assessed a charge to retrieve requested records from archives or any other entity having possession of requested records, the records custodian may assess the requestor the cost assessed the government entity for the retrieval of records.
8. No outside duplicating equipment or supplies may be brought into Oak Ridge Schools offices for purposes of making copies of public records.
9. A records custodian is permitted to charge the hourly wage of the employee(s) reasonably necessary to produce the requested record when the time spent locating, retrieving, reviewing, redacting and reproducing the records exceeds one hour. In calculating the charge for labor, the records custodian shall determine the number of hours each employee spent producing a request. The records custodian shall then subtract the one hour from the highest paid employee in determining the total amount of labor that can be charged.
10. The records custodian will not accept emails, phone calls or voice mails as a request for records. Written requests for records that are mailed will be accepted if they are certified or have some other proof of delivery. The mailed written request must provide a certified copy of a valid Tennessee Driver's license or other government issued identification containing an address.
11. All records requests must be made to the Office of Human Resources at Oak Ridge Schools, 304 New York Avenue, Oak Ridge, TN.

#### **Oak Ridge Schools School District Records (BP 1.407)**

The Superintendent of Schools shall maintain all school system records required by law, regulation and board policy. Any citizen of Tennessee, state official or other authorized person shall be permitted upon written request to the records custodian, at a reasonable time, to inspect all records maintained by the school district unless otherwise prohibited by law, regulation or board policy. A person who has the right to inspect a record may request and receive copies of the documents subject to the payment of reasonable cost.

When the total number of requests made by a requestor within a calendar month exceeds four (4), but the time to produce the record requested

each time is less than the one (1) hour threshold necessary to charge a reasonable fee, the requestor may be charged a fee for any and all labor that is reasonably necessary to produce the copies of the requested records after the requestor is notified of this policy. Further, the names of persons inspecting records and the date of inspection shall be recorded.

No records pertaining to individual students will be released for inspection by the public or any unauthorized persons.

#### **Oak Ridge Schools Personnel Records (BP 5.114)**

The Superintendent or his/her designee(s) shall be authorized to maintain personnel records and to permit inspection of the same, except for matters deemed confidential by law. The following personnel records shall be maintained for all employees as appropriate:

1. Employee applications and contracts;
2. Professional certificates and other documents required by state and federal laws and regulations;
3. Evaluations;
4. Cumulative information files; and
5. INS Form I-9.

The following guidelines shall be followed:

1. Information contained in personnel records shall be limited to job-related matters;
2. The Superintendent shall be responsible for notifying all employees of the types of records kept and uses made of such records;
3. Employees shall be granted an opportunity to respond in writing to material placed in records;
4. Employee records are public records, except for matters deemed confidential by law, and shall be open for inspection during regular business hours;
5. In accordance with federal law, the district shall release information regarding the professional qualifications and degrees of teachers and the qualifications of paraprofessionals to parents upon request for any teacher or paraprofessional who is employed by a school receiving Title I funds and who provides instruction to their child at that school.
6. Members of the public may not obtain the home telephone number, personal cell phone number, bank account information, social security

number, residential street address, driver license information (except where driving or operating a vehicle is considered to be a part of the employee's duties), or the results of individual teacher evaluations of an employee or of the immediate family members or household members of an employee, unless release of this information is expressly authorized by the employee.

7. A record of the person inspecting and the date of inspection shall be recorded; and
8. Copies of records may be made in accordance with the Tennessee Open Records Act.

#### **Oak Ridge Schools Teacher Effect Data (BP 5.1141)**

The estimates of specific teacher effects on the educational progress of students shall not be a public record and shall be made available only to the specific teacher, school board members, and the teacher's appropriate administrators, as designated by the Board, for the fulfillment of lawful functions.

The guidelines for distribution, security, and application of the teacher effect data shall be kept on file in the central office and shall be given to the teacher, the assigned administrator, and all school board members and shall become an administrative procedure to be updated as needed by the Superintendent of schools.

#### **Oak Ridge Schools Student Records (BP 6.600)**

A cumulative record shall be kept for each student enrolled in school. The folder shall contain a health record, attendance record, and scholarship record; shall be kept current; and shall accompany the student through his/her school career.

The name used on the record of the student entering the school system must be the same as that shown on the birth certificate, unless evidence is presented that such name has been legally changed. If the parent does not have, or cannot obtain a birth certificate, then the name used on the records of such student shall be as shown on documents which are acceptable as proof of date of birth.

The name used on the records of a student entering the system from another school must be the same as that shown on records from the school previously

attended unless evidence is presented that such name has been legally changed as prescribed by law.

When a student transfers to another school within the system, copies of the student's records, including the student's disciplinary records, shall be sent to the transfer school.

All records shall be remitted in accordance with the Family Education Rights and Privacy Act (FERPA).

### **ACCESS TO STUDENT RECORDS**

Student records shall be confidential. Authorized school officials shall have access to and permit access to student education records for legitimate educational purposes. A "legitimate educational interest" is the official's need to know information in order to:

1. Perform required administrative tasks;
2. Perform a supervisory or instructional task directly related to the student's education;
3. Perform a service or benefit for the student or the student's family such as health care, counseling, student job placement, or student financial aid.

Authorized school officials may release information from or permit access to a student's education record without the parent(s) or eligible student's\* prior written consent in the following instances:

To comply with a judicial order or lawfully issued subpoena. The school system will make a reasonable effort to notify the student's parent(s) or the eligible student before making a disclosure;

1. If the disclosure is an item of directory information;
2. To comply with the requirements of child abuse reports to the extent known by the school officials including the name, address, and age of the child; the name and address of the person responsible for the care of the child, and the facts requiring the report;
3. When certain federal and state officials need information in order to audit or enforce legal conditions related to federally-supported education programs in the school system;
4. When the school system has entered into a contract or written agreement for an organization to conduct scientific research on the system's behalf to develop tests

or improve instruction, provided that the studies are conducted in a manner which will not permit the personal identification of students and their parents by individuals other than representatives of the organization and the information will be destroyed when no longer needed for the purpose for which the study was conducted;

5. To appropriate officials if the parent(s) claim the student as a dependent as defined by the Internal Revenue Code;
6. To accrediting organizations to carry out their accrediting functions;
7. When a student seeks or intends to enroll in another school district or a post-secondary school. Parent(s) of students or eligible students have a right to obtain copies of records transferred under this provision;
8. To financial institutions or government agencies that provide or may provide financial aid to a student in order to establish eligibility, to determine the amount of financial aid, to establish conditions for the receipt of financial aid, and to enforce financial aid agreements.
9. To make the needed disclosure in a health or safety emergency when warranted by the seriousness of the threat to the student or other persons, when the information is necessary and needed to meet the emergency, when time is an important and limiting factor, and when the persons to whom the information is to be disclosed are qualified and in a position to deal with the emergency.
10. To the Attorney General or his designee for official purposes related to the investigation or prosecution of an act of domestic or international terrorism. An educational agency that, in good faith, produces education records in accordance with an order issued under this Act shall not be liable to any person for that production.
11. To any agency caseworker or other representative of a state or local child welfare agency or tribal organization authorized to access the student's educational records when such agencies or organizations are legally responsible for the care and protection of the student.

Authorized school officials may release information from a student's education record if the student's parent(s) or the eligible student gives written consent for the disclosure. The written consent must include:

1. A specification of the records to be released;
2. The reasons for the disclosure;
3. The person, organization, or class of persons or organizations to whom the disclosure is to be made;
4. The signature of the parent(s) or eligible student; and

5. The date of the consent and, if appropriate, a date when the consent is to be terminated. The student's parent(s) or the eligible student\* may obtain a copy of any records disclosed under this provision.

The school system will maintain an accurate record of all requests to disclose information from or to permit access to a student's education records. The system will maintain an accurate record of information it discloses and access it permits. The system will maintain this record as long as it maintains the student's education record.

The record will include at least:

1. The name of the person or agency that makes the request;
2. The interest the person or agency has in the information;
3. The date the person or agency makes the request; and
4. Whether the request is granted and, if it is, the date access is permitted or the disclosure is made.

*\*The student becomes an "eligible student" when he/she reaches age 18 or enrolls in a post-secondary school, at which time all of the above rights become the student's right.*

#### **Oak Ridge Schools Annual Notification of Rights (BP 6.601)**

Within the first three weeks of each school year, the school system shall notify parent(s) of students and eligible students\* of each student's privacy rights. For students enrolling after the above period, this information shall be given to the student's parent(s) or the eligible student at the time of enrollment. The notice shall include the right of the student's parent(s) or the eligible student to:

1. Inspect and review the student's education records;
2. Seek correction of items in the record which are believed to be inaccurate, misleading or in violation of the student's rights, including the right to a hearing upon request;
3. File a complaint with the appropriate state or federal officials when the school system violates laws and regulations relative to student records;
4. Obtain a copy of this policy and a copy of the student's education records;
5. Exercise control over other people's access to the records, except when prior written consent is given, or under circumstances are provided by law or regulations, or where the school system has designated certain information as "directory information." Parent(s) of students or eligible students have two weeks after notification to advise the school system in writing of items they designate not to be used as directory information. The records custodian shall mark the

appropriate student records for which directory information is to be limited, and this designation shall remain in effect until it is modified by the written direction of the student's parent(s) or the eligible student.

### **DIRECTORY INFORMATION**

"Directory information" means information contained in an education record of a student which would not generally be considered harmful or an invasion of privacy if disclosed. It includes, but is not limited to the student's name, address, telephone number, e-mail address, photograph, date and place of birth, dates of attendance, grade level, enrollment status, participation in officially recognized activities and sports, weight and height of members of athletic teams, degrees, honors and awards received, and the most recent educational agency or institution attended.

Student directory information for 11<sup>th</sup> and 12<sup>th</sup> graders shall be made available upon request to persons or groups which make students aware of occupational and educational options, including official recruiting representatives of the military forces of the State and the United States.

\*The student becomes an "eligible student" when he/she reaches age 18 or enrolls in a post-secondary school, at which time all of the above rights become the student's rights.

### **INSPECTION PROCEDURE**

Parent(s) of students and eligible students\* may inspect and review the student's education records upon written request.

Parent(s) or eligible students shall submit to the records custodian a request which identifies as precisely as possible the record(s) to inspect, and this inspection must be completed within 45 days from the receipt of the request.

The right to inspect and review educational records includes the right to a response from school officials concerning requests for explanation and interpretation of the data. School officials shall presume that the parent has the authority to inspect and review records relating to his/her child unless the school system has been advised that the parent does not have the authority under applicable state law governing guardianship, separation, and divorce.



When a record contains information about students other than the parent's child or the eligible student, the parent(s) or eligible student may not inspect and review that information.

#### **FEES FOR COPIES**

A reasonable fee for copies provided to parent(s) or eligible students shall be determined by the Superintendent of Schools. If the fee represents an unusual hardship, it may be waived in part or entirely by the records custodian.

#### **CORRECTION PROCEDURES**

Parent(s) of students or eligible students may seek to change any part of the student's record they believe to be incorrect. The superintendent shall develop an acceptable procedure to establish an orderly process to review and potentially correct an education record.

*\*The student becomes an "eligible student" when he/she reaches age 18 or enrolls in a post-secondary school, at which time all of the above rights become the student's rights.*

## 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.

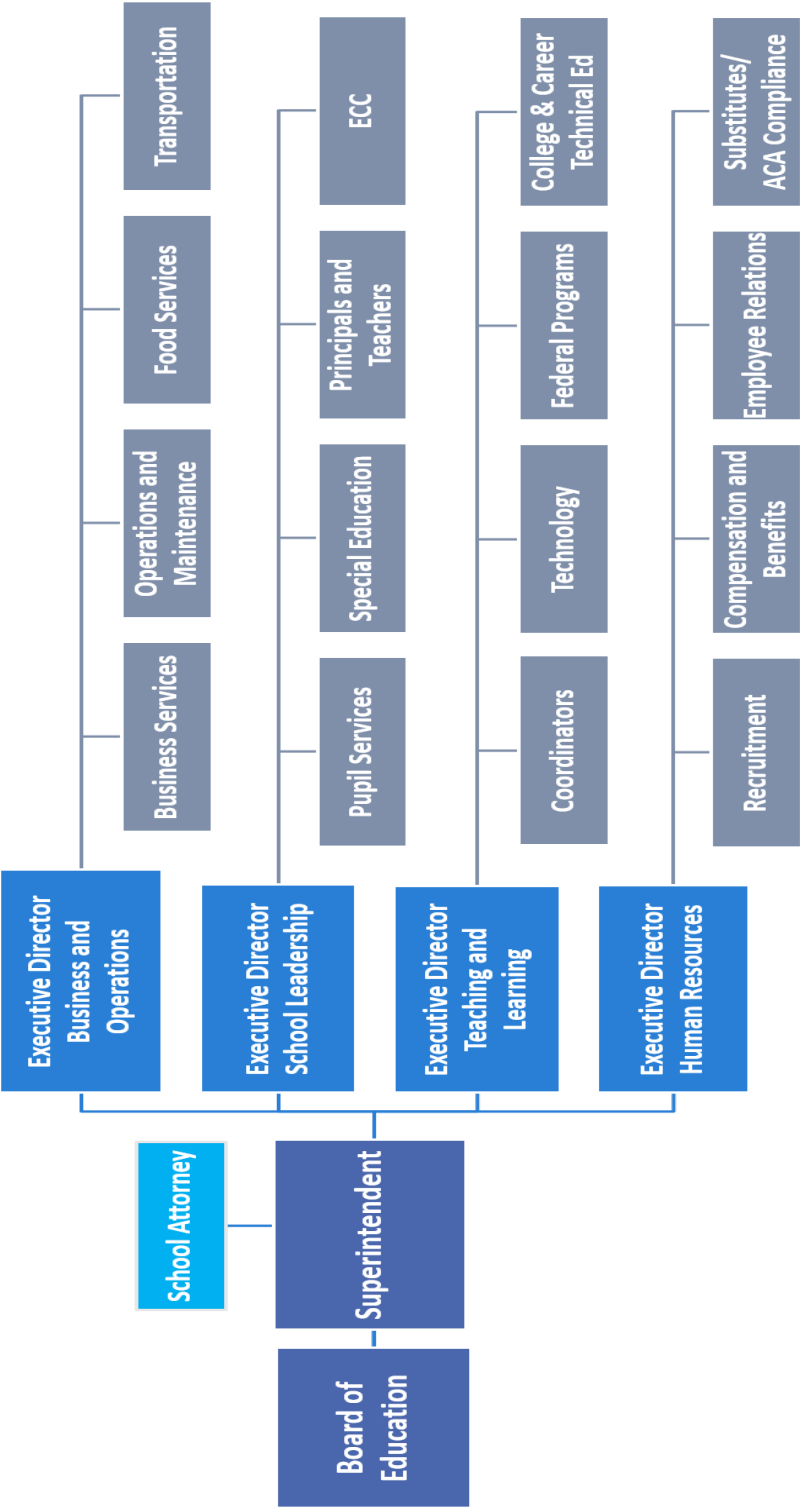
- Education Department General Administrative Regulations (EDGAR)
  - <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 200)
  - <http://www.eC.F.R.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5>
- 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&ycond=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

## X. Appendices

Appendix A - Oak Ridge Schools Organizational Chart

# Oak Ridge Schools Organizational Chart



## Appendix B – Financial Internal Controls Overview

Other Significant Accounts - Policies and Procedures						
6/30/2015						
	<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			Supervisor Business Svc	
	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	Director of Business & Support Svcs	Not annually/al ways Superintendent & Director Bus Svc
	Is the bank immediately notified of all changes in authorized check signers?	X			Supervisor Business Svc	
	Are all bank and investment accounts in the name of the organization?	X			Supervisor Business Svc	
	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>					



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?				Business Specialist	If she is unavailable , AP Specialist or Purchasing Specialist
	Are cash receipts kept in a secure location until deposit?	X			Business Specialist	If she is unavailable , AP Specialist or Purchasing 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?				Business Specialist	If she is unavailable , AP Specialist or Purchasing Specialist
	Who deposits the cash receipts?				Receiving Specialist	Backup for bank deposits is Supervisor of Bus Svc
	Are deposits made daily?	X			Receiving Specialist	Backup for bank deposits is Supervisor of Bus Svc
	Who prepares the bank reconciliation? How often?				Accountant	Monthly
	Does the owner/management receive the bank statements unopened and review all items?			X	Statements are Retrieved Online	Supervisor and 2 Accountants have access to view/print
	Is the bank reconciliation approved by an appropriate person?	X			Supervisor of Bus Svc	
	Are checks written to cash?		X			

Appendix B – Financial Internal Controls Overview						
	Does someone review cancelled checks?	X			Accountant	
<b><u>Accounts Receivable</u></b>						
	Who records accounts receivable and revenues?	x			Accountant	
	Who writes off bad debts?	x			Accountant	With approval from Bus Svc Supervisor
	Does the owner/management review the bad debts written off?	X			Supervisor of Bus Svc	
	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			Accountant	Reviewed/ Approved by Supervisor of Bus Svc
	Does the owner/management review the AR listing?	X			Supervisor of Bus Svc	
	Are statements periodically mailed to customers?			X		

Appendix B – Financial Internal Controls Overview						
	Who drafts, approves and mails donor thank you letters? (if applicable)			X		
	Who answers the phones? (from donors or customers)				Accounts Payable Specialist or Purchasing Specialist	
Other Significant Accounts - Cash Disbursements						
	<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Who is responsible?</u>	<u>Additional comments</u>
	Who can sign checks?				Director Bus & Operations & 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	
Appendix B – Financial Internal Controls Overview						

	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			Supervisor Bus Svc	
	Does the check signer review & initial documentation supporting checks indicating completeness and approval?	X			Supervisor Bus Svc	
	Are invoices reviewed at the same time checks are signed?	X			Supervisor Bus Svc	
	How are invoices cancelled to indicated the they have been paid?	X			Stamped Paid	
	Who is responsible for petty cash?	x			Administrative Assist to Executive Director of Business &	

					Operations/ Maintenance Secretary	
	Does anyone else reconcile petty cash?	x			Department Supervisor/Di rector	
	Who can authorize cash transfers between bank accounts?				Supervisor Bus Svc/Accounta nts/Executive Director Bus & Operations	
	Is an aged accounts payable list prepared monthly?	x			Accounts Payable Specialist	
	If so, who reviews the aged accounts payable list?	x			Supervisor Bus Svc	
	Are the persons authorized to approve expenditures clearly identified?	X			Supervisor Bus Svc	
	Are the organization's ordering and receiving processes segregated to the greatest extent possible?	X				
	Are new vendors/contractors approved in advance?	X			Purchasing Specialist	
<b>Appendix B – Financial Internal Controls Overview</b>						
	Are there adequate controls for non-check disbursements (debit memos & wire transfers)?	X			Supervisor of Business Services	

	(e.g. passwords, bank callback verifications)					
<b>Other Significant Accounts - Investments</b>						
	<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Who is responsible?</u>	<u>Additional comments</u>
	Is there a written investment policy?	X			Supervisor of Bus Svc	
	Are all investment transactions reviewed? And approved by the owners/board/committee ?	X			Supervisor of Bus Svc	
<b>Other Significant Accounts - Payroll</b>						
	<u>Questions</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Who is responsible?</u>	<u>Additional comments</u>
	Who is responsible for payroll?				Payroll Specialist	
	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			Supervisor Business Svc	
	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			Supervisor of Bus Svc	
	Are budgets prepared?	X			Executive Director of Business & Operations	
	Are operating results periodically compared to the budget?	X			Executive Director of Business & Operations/Supervisor of Bus Svc/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-checked on a random, unannounced basis?	X			Supervisor of Bus Svc	
<b>Appendix B – Financial Internal Controls Overview</b>						
	Are all staff members required to take one full week of continuous vacation time annually?	X			Supervisor of Bus Svc	

	Are job duties rotated when possible in cash handling functions?	X			Supervisor of Bus Svc	
	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			Supervisor of Bus Svc	
	Are missing numbers in sequences of numerically controlled documents (e.g. checks) identified and investigated immediately?	X			Supervisor of Bus Svc/Accountants	

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

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### **OAK RIDGE SCHOOLS FINANCIAL POLICY AND OPERATION 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/departments/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 insure 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 Supervisor of Business Services 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 Director of Business & Support Services will obtain the required approval. After getting the necessary approval to amend the budget, the Director of Business & Support Services will provide supporting

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

documentation and approval to the 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 Director of Business & Support Services on the proper form. (See “Expense Reclassification Form”) If approved, the Director of Business & Support Services and the Supervisor of Business Services 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 Director of Business & Support Services. 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 Director of Business & Support Services 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 Director of Business & Support Services for approval.
  - 4) Accounting will maintain a file of all adjustments by employee name by fiscal year.

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### 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.
- B. For purchases up to \$2,499, 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 \$2,500 threshold.
- C. Purchases between \$2,500 and \$24,999 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 that three 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.
- E. Requisitions for professional services \$24,999 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.
- F. Emergency purchases may be made with the knowledge of the Business Office and with the approval of the Superintendent or Assistant Superintendent of Schools. 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.
- G. 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

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must be provided. Continued service agreements that are required to service a purchased product will be considered a sole-source purchase.

- H. 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")
- I. 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.
- J. 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. Online Check Requests for

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conference payments must accompany a signed copy of the Professional Leave Request form. 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.
- F. Monthly mileage reimbursement requests for within-district travel should be submitted by the 15<sup>th</sup> of the following month.
- G. If you are preparing a purchase order at the time an invoice is received, please make sure the invoice is attached to the purchase order when the purchase order is submitted.

### **Credit Card Usage**

- A. District-authorized credit cards (Bank of America VISA) will be issued to the following individuals:
  - 1) School Board members
  - 2) Executive Team members
  - 3) Coordinators

The individuals listed above should restrict use of their personal ORS credit cards to travel-related expenses.
- B. 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]