

This document serves to provide K12 School Districts with an outline, guidance, and examples of the changes to procedures and policies required under UG.

This table is a summary of the policies/procedures specifically required under UG. Note that while not specifically identified as being required in UG, reporting and sub-recipient monitoring procedures should also be updated (where necessary) to comply with UG standards.

Summary of Required Written Policies & Procedures	
Policy = should address why you administer things a certain way and contain a goal or objective Procedure = should detail how you perform the functions necessary to conform to the policy	
Requirement	Guidance
Cash Management <i>Procedures</i> (§200.302(b)(6)) and written procedures to implement the requirements of §200.305 Payment	For reimbursement-based grants, the awarding agency/pass-through entity must make a payment within 30 calendar days after the receipt of the billing, unless the Federal awarding agency or the pass-through entity reasonably believes the request is improper. Pass-through entities will want to ensure they have appropriate procedures and mechanisms in place to pay subrecipients within 30 days after the receipt of the billing. Entities that do not pass through funds will likely not need to update anything related to cash management if there are already existing procedures.
Written Allowability <i>Procedures</i> (§200.302(b)(7)) for determining the allowability of costs in accordance with Subpart E and conditions of the Federal award.	Allowability procedures are not a restatement of Subpart E, but rather broader guidance that the grantee will follow related to the development of their grant application and grant budget. Costs related to the grant must always be necessary, reasonable and allocable. Each budget must also conform with federal laws and the terms of the grant. Procedures should also be consistent to state and local policies and be adequately documented.
Written Travel <i>Policy</i> (§200.474(b)) - Employee lodging and subsistence costs for travel	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 non-Federal entity in its regular operations as the result of the non-Federal entity's written travel policy. In addition, if these costs are charged directly to the Federal award documentation must justify that: (1) Participation of the individual is necessary to the Federal award; and (2) The costs are reasonable and consistent with non-Federal entity's established travel policy.
Written Procurement <i>Procedure</i> (§200.319(c)) - Procedures for procurement transactions	Must have documented procurement procedures which reflect applicable Federal, State and local laws and regulations. Items to address include open competition, conflict of interest, solicitation, cost/price analysis, vendor selection, required contract provisions, contract administration, and protest procedures. Internal procurement policies will reflect the changes in the uniform guidance to identify the five allowable methods outlined in the guidance. In addition to small purchase procedures, competitive sealed bids, competitive proposals, and noncompetitive proposals, the new micro-purchase must be addressed.
Written Conflict of Interest <i>Policy</i> (§200.318(c)). Written standards of conduct for conflicts of interest and employee actions engaged in selection, award and administration of contracts	A conflict of interest arises when an employee, officer, agent, or member of a family has a financial or other interest in the firm selected for award. In addition to the written policies, the grantee organization must disclose in writing any potential conflict with MDE. A conflict of interest policy must address personal and organizational conflicts.
Written <i>Procedure</i> for Conducting Technical Evaluations of Proposals and Selecting Participants. (§200.320(d)(3)) Written method for conducting technical evaluations of the proposals received and for selecting recipients	Employee Conflict of Interest – The nonfederal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. Organizational conflict of interest – If the non-federal entity has a parent, affiliate, or subsidiary organization that is not a state government, local government, or Indian tribe, the nonfederal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization. Please refer to the "Plante Moran GrantReform Guidebook" for more details on specific changes
*For FYE 2016 & 2017, must either have these written policies and procedures OR documentation of election to delay until July 1, 2017	

EXAMPLE PROCEDURES

The below examples are excerpts (and modified to update for UG requirements) from the MAISA Model Manual released in April 2015, and other internally developed sources. This manual is currently undergoing updates and those updates are currently not available. These suggested procedures are not part of that project. These excerpts (as well as the manual) are intended to serve only as *the most very basic EXAMPLES* of procedures; it is highly recommended that districts modify and amend these examples to include their specific procedures. In short, The District's procedures should document the actual procedures/steps the district uses to address the requirement. In addition, Neola has suggested several policies that incorporate UG requirements; the district should consider reviewing these to determine whether to make a recommendation that they be incorporated into the district's board policies.

If the Districted elected to delay adoption of the procurement standards, the federal procurement policy and procedures updates must be in place July 1, 2017

1 - Cash Management

Source of Governing Requirements – The requirements for cash management are contained in 2 CFR 302(b)(6) and 2 CFR 200.305, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, _____ District has implemented the following policies and procedures:

1. Substantially all of the District's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency. The District's process to ensure only amounts paid are requested includes the following: *(describe the district's process)*
2. Cash draws will be initiated by the Superintendent or designee (___) who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated.
3. The physical draw of cash will be processed in CMS (for Michigan Department of Education grants) or through the means prescribed by the grant agreement for other awards by the Superintendent or designee (___). The certification required under Uniform Guidance will be signed by the individual authorized by the District to execute the transaction in CMS.
4. Supporting documentation from CMS (for grant through the Michigan Department of Education) or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.
5. *(Pass-Through Agencies Only)*
 - a. Include procedure in place to ensure that payments to subrecipients are made within 30 calendar days after receipt of the request, unless the request is believed to be improper.

- b. *Include process for obtaining required certifications included with reimbursement requests or final cost reports from subrecipients.*

2 – Allowability

Source of Governing Requirements – *The requirements for activities allowed or unallowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.*

The requirements for allowable costs/cost principles are contained in 2 CFR part 200, subpart E, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, _____ District has implemented the following policies and procedures:

1. *All grant expenditures will be in compliance with 2 CFR part 200, subpart E, State law, District policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that considered reasonable and necessary for the administration of the program.*
2. *Grant expenditures will be budgeted and approved by department heads/program managers initially through the purchase order or purchase card procurement process, and again with the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Business Office until necessary approval has been obtained.*
3. *Payroll and payroll related costs will be documented in accordance with 2 CFR part 200, subpart E as described in below in further detail (describe the district’s process for documenting requirements of time and effort reporting and allocation of payroll related costs– note that PARs and certs satisfy UG time and effort requirements)*
4. *An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement. When allowable, indirect costs will be charged based on the Cost Allocation Plan of the District and using the rate approved by the Michigan Department of Education. The District is not eligible to elect the de minimis rate. (or The district is eligible and has elected to use the de minimis rate.)*

3 - Procurement

Source of Governing Requirements – *The requirements for procurement are contained in 2 CFR 200.318(c), 2 CFR 200.319(c) and 2 CFR 200.320(d)(3), Appendix II of Uniform Guidance, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.*

If the District is electing to delay implementation, include the following;

The District has elected to defer the adoption and implementation of the procurement standards under the Uniform Guidance (2 CFR 200) until July 1, 2017, as allowed by the Frequently Asked Questions issued by the COFAR and approved by OMB.

Note Districts manage procurement differently. Some have detailed policy and procedures that follow the policy and some have summarized policies with detailed procurement procedures. prescribing a single method is not possible. The list below focuses on the procurement elements that should exist in the policy and or the procedures. To Implement, the District will include the following:

In order to ensure compliance with these requirements, _____ District has implemented the following as policy and/or procedures:

1. Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the District (*reference the District's general purchasing policy by name or policy number*).
2. Conflict of interest: 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. This also applies to any employee, officer, or agent who has a family member with a real or apparent conflict of interest. If any employee, officer, or agent has a real or apparent potential or possible conflict of interest, they must disclose the conflict and all relevant facts to the Superintendent or designee (___). (*If the district has a separate conflict of interest policy, reference the District's general policy by name or policy number. The policy should include the sample policies below*).
 - a. Gifts, including gratuities, favors, or anything of monetary value, made with the intent to influence the recipient's business decisions may not be accepted. Courtesy gifts of nominal value (*insert dollar value if desired*) not influencing business decisions may be accepted.
 - b. (*Include If the entity is a charter school*) The District will also be impartial in conducting a procurement action involving a related organization, such as a management company, affiliate, or subsidiary organization.
 - c. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action.
3. Competition- All procurement transactions charged to federally fund programs will be conducted in a manner providing full and open competition. The District will ensure that all solicitations meet the following;
 - a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. The qualitative nature of the material, product or service to be procured may also be included.
 - i. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description will be used as a means to define the performance requirements of procurement. The specific features of the named brand which must be met by offers will be clearly stated.
 - ii. Detailed product specifications will be avoided if at all possible.
 - b. Identify minimum essential characteristics and standards for the material, product, or service, which it must conform if it is to satisfy its intended use.

- c. *Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.*
- d. *Document selection and rationale consistent with the selection criteria and procurement method used.*

4. *Methods of Procurement*

- a. *Micro- Purchases: Purchases that do not exceed the micro-purchase threshold identified in 2 CFR 200.67 will be award without soliciting competitive quotes if the District considers the price to be reasonable.*
- b. *Small Purchases: Purchases that exceed the micro-purchase threshold but do not exceed either 1) *The federal simplified acquisition threshold identified in 2 CFR 200.88, or 2) the competitive bid threshold established by State of Michigan under MCL 380.1274, will only be awarded after price or rate quotations are obtained from an adequate number of qualified sources.**
- c. *Purchases that exceed either 1) *The federal simplified acquisition threshold identified in 2 CFR 200.88, or 2) the competitive bid threshold established by State of Michigan under MCL 380.1274, will only be awarded after obtaining either sealed bids, competitive proposals, or non-competitive proposals as described below;**

 - i. *Sealed Bids: Bids will be publicly solicited for a firm fixed price and awarded to the bidder who conforms with all the material terms and conditions of the invitation and is the lowest in price.*
 - 1. *The sealed bid method will be the preferred method if the following conditions apply;*
 - a. *A complete, adequate, and realistic specification or purchase description is available*
 - b. *Two or more responsible bidders are willing and able to compete effectively for the business*
 - c. *The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price*
 - 2. *If sealed bids are used, the following requirements apply;*
 - a. *Bids will be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids*
 - b. *The invitation for bids will be publicly advertised*
 - c. *The invitation for bids will define the items or services in order for the bidder to properly respond*
 - d. *All bids will be opened publicly at the time and place prescribed in the invitation for bids*
 - e. *A firm fixed price contract award will be made in writing to the lowest bidder.*
 - f. *Any or all bids may be rejected if there is a sound documented reason*
 - ii. *Competitive Proposals: When the conditions are not appropriate for a sealed bid, a competitive proposal will be used. Either a fixed price or cost-reimbursement type contract may be awarded.*
 - 1. *If competitive bids are issued, the following requirements apply;*

- a. *Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals will be considered to the maximum extent practical*
 - b. *Proposals will be solicited from an adequate number of qualified sources*
 - c. *Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered*
 - iii. *Non-Competitive Proposals: Procurement through solicitation of a proposal from only one source will be used only when one or more of the following circumstances apply;*
 1. *The item is available only from a single source*
 2. *The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation*
 3. *The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District*
 4. *After solicitation of a number of sources, competition is determined inadequate*
5. *Analysis of Competitive Proposals- The purchasing department or designee (___) performs an analysis and evaluates each proposal. Documentation of this analysis will be maintained by the District in the form of a [INSERT name of District's form- Award Sheet, Bid Tabulation Sheet, etc.]. The evaluation will consider the following key factors;*
 - a. *(describe District's specific process)*