

SCHOOL BOARD TRAINING BOARD FINANCIAL RESPONSIBILITY AND PROCUREMENT

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Introduction

Today's Training Session Ground Rules

- This is intended to be an open discussion.
 - Please feel free to ask questions at any time or to share your experiences.
 - Phones on silent. Please take a break to look at phones or step out to take calls.
 - Listen while others are talking. Talk one at a time.
 - Call for a Break when you need one.
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Ice Breakers

Partner up with the person to your right. You have 3 minutes apiece to find out the following and tell us about it:

- Name
- What is your favorite thing about your work with the School?
- What is one strength you think your School has?

Purpose of the Tribally Controlled Schools Act

- To facilitate local control to improve educational outcomes.
- The Board can play a key role in making decisions on what programs and curriculum you will use to teach children.
- Boards should spend at least 25% of the time looking at curriculum, student programming, and student achievement. The Board establishes policies to create an environment that fosters a successful education program.
- While there are many regulations governing TCSA schools, the Board plays a vital role in setting the tone and programming through the adoption of policy and curriculum.

Use of TCOSA Grant Funds 25 USC 2502(a)(3)

(A) In general:

Except as otherwise provided in this paragraph, grants provided under this chapter shall be used to defray, at the discretion of the school board of the tribally controlled school with respect to which the grant is provided, any expenditures for education related activities for which any funds that compose the grant may be used under the laws described in section 2504(a) of this title, including expenditures for—

- (i) school operations, academic, educational, residential, guidance and counseling, and administrative purposes; and
- (ii) support services for the school, including transportation.

(B) Exception:

Grants provided under this chapter may, at the discretion of the school board of the tribally controlled school with respect to which such grant is provided, be used to defray operations and maintenance expenditures for the school if any funds for the operation and maintenance of the school are allocated to the school under the provisions of any of the laws described in section 2504(a) of this title.

Limitations on Use of Grant Funds 25 USC 2502(b)

(1) One grant per tribe or organization per fiscal year

Not more than one grant may be provided under this chapter with respect to any Indian tribe or tribal organization for any fiscal year.

(2) Nonsectarian use

Funds provided under any grant made under this chapter may not be used in connection with religious worship or sectarian instruction.

(3) Administrative costs limitation

Funds provided under any grant under this chapter may not be expended for administrative costs (as defined in section 1128(h)(1) of the Education Amendments of 1978 [25 U.S.C. 2008(h)(1)]) in excess of the amount generated for such costs under section 1128 of such Act.

WHAT DOES A TCSA GRANT INCLUDE? 25 USC 2503(a)

The grant provided under this chapter to an Indian tribe or tribal organization for any fiscal year shall consist of—

- (1) ISEF Formula Funds and Transportation; and**
- (2) Operation and Maintenance Funds (O & M); and**
- (3) the total amount of funds that are allocated to such schools for such fiscal year under—**
 - (A) Title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6301 et seq.];**
 - (B) the Individuals with Disabilities Education Act [20 U.S.C. 1400 et seq.] (Special Education and Gifted and Talented Funds ; and**
 - (C) any other Federal education law, that are allocated to such schools for such fiscal year.**

Payment of Grants and Investments

25 USC 2506. Payment of grants; investment of funds

(a) Payments

(1) In general

Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this chapter in two payments, of which—

- (A) the first payment shall be made not later than July 1st of each year in an amount equal to 80 percent of the amount which the grantee was entitled to receive during the preceding academic year; and
- (B) the second payment, consisting of the remainder to which the grantee is entitled for the academic year, shall be made not later than December 1st of each year.

(2) Excess funding

In a case in which the amount provided to a grant recipient under paragraph (1)(A) is in excess of the amount that the recipient is entitled to receive for the academic year involved, the recipient shall return to the Secretary such excess amount not later than 30 days after the final determination that the school was overpaid pursuant to this section. The amount returned to the Secretary under this paragraph shall be distributed equally to all schools in the system.

(4) Late funding

With regard to funds for grantees that become available for obligation on October 1 of the fiscal year for which such funds are appropriated, the Secretary shall make payments to grantees not later than December 1 of the fiscal year.



Financial Management under the TCSA - There are restrictions on the use of different funding sources – the Board needs to know and understand the different restrictions on funds



ISEP Funds: Use for school operations and educational program. The School may use some ISEP for Admin costs up to the difference between the Admin award and the Admin need as calculated by BIE. ISEP can also be used for facilities costs if there are inadequate facilities funds to maintain the school in a safe manner.



Facilities:
Can only be used for facilities repair and Maintenance including facilities salaries.



Transportation: Can be used for transportation costs, including bus driver salaries only. It is important to keep track of transportation costs as this affects award amounts.



Title I funds: Cannot be used to fund admin. Costs. Must be used to serve eligible students for salaries or items that cannot be funded with ISEP funds available. Ex: Cannot use to fund a 3rd grade teacher if that is funded by ISEP. Can be used for a Counselor, Teacher's Aide, Computer teacher for example if the school can show it does not have ISEP funds available for those salaries, or computers, gym equipment etc. Cannot fund security position.



Special Education Part B: Only used to fund services to eligible students. Teacher's Aides can be funded if they work exclusively with Special Education students. Specific services such as physical therapy and speech are also allowable. Accommodations to make the general classroom accessible such as computers for student use, promethean board if it makes the classroom accessible to specific students, building modifications for physical disabilities are examples of allowable costs.

Financial Management of TCSA grants

- The School Board should approve a budget at the beginning of the year.
- A financial report should be provided to the Board monthly. ANY expenditures in excess of the approved budget must be approved with a budget modification showing what will change in the budget, and must be approved by the Board. The amount spent should be consistent with the time period the School is in generally. For example, on January 1st, the school should be 50% or less expended on salaries.
- Financial reports should show the Board what items are being funded by which sources of funds. If a position is funded by more than one funding source, the School should be tracking on timesheets or work logs time actually spent working under which fund. It is bad practice to simply guesstimate how much time and bill it. For example, billing 50% of the principal time to admin and 50% to SIG. Time should be tracked and allocated by pay period.
- The School should follow procurement policies and competitively bid contracts and purchases as much as possible. The School Board should approve all hiring of staff and all contracts for more than \$5,000.00.

Financial Monitoring Responsibilities

If there's a condition upon which a finding is awarded, then there is a requirement that you comply with the condition.

How do you do that? Through the process, of developing, applying and enforcing policies and procedures.

Including policies that require a process and a method of application to ensure compliance.

Requiring reports be submitted that cover financial monitoring activities.

Hiring competent people to help you accomplish these things.

Systems - You should have in place an effective and efficient financial management system that provides for accurate, current, and complete disclosure of financial information while accounting for oversight and protection of funding.

- The system is comprised of accounting records along with a series of written procedures and processes that are assigned to employees and outside consultants.
 - Systems should ensure that financial data and economic transactions are properly entered into the accounting records and that financial reports are prepared accurately and timely.
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REQUIREMENTS FOR THE ADMINISTRATION OF FEDERAL FUNDING



Contract and compliance requirements must be fulfilled.



Grant and contract funds must be expended appropriately.



Accounting records must be maintained.



Assets must be safeguarded.



Internal control systems must be adequate.



Internal policies and procedures must be developed and implemented.



Costs must be allocated to the correct program based upon a cost allocation plan in cases where costs are shared by programs.



Grantees must have an annual audit.

Budgets

- A budget is a plan that identifies the various sources and amounts of a school's income and expenses.
- A comprehensive budget can be a key factor in successful operations. It serves as a road map to guide the school throughout the year.
- It's also a tool to help you monitor financial activities throughout the year and it can also help you plan for next year.

How to Read Budget and Audit Reports

- The Budget vs Actuals report shows you how well you are keeping expenditures in line with the budgeted amount. For each line, you can compare your budgeted amounts against your actual income and expenses. The Budget vs Actuals Report is your reality check for spending limits for the year.

- Starting at the top of the Report, you should see four columns:

Actual, Budget
Over Budget and
% of Budget.

- The Actual column shows your actual expenditures for the time period covered by the report, usually year-to-date or last month. The Budget column shows what you had planned for that same time period. The Over Budget column does the math for you and calculates whether you were over- or under-budget for each line item and the amount left or overspent. Finally, the % of Budget column tells you how close you came to the budgeted figure as a percentage.

- Looking at the Expenses, your eye may be drawn to the larger numbers in the % of Budget column. Maintenance and Repair expenses were \$240 over budget, or 34.29% higher than expected. Meanwhile, Equipment Rental was only \$37 over budget, but that was a whopping 49.33% higher than expected! Due to several higher than expected costs, the Board will need to modify the budget to make sure you stay within available funds.

Craig's Design and Landscaping Services

BUDGET VS. ACTUALS: BUDGET - FY16 P&L

June 2016

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Design income	1,275.00	1,300.00	-25.00	98.08 %
Discounts given	-89.50		-89.50	
Landscaping Services	4,324.08	3,275.00	1,049.08	132.03 %
Pest Control Services	70.00		70.00	
Sales of Product Income	912.75	1,000.00	-87.25	91.28 %
Services	503.55	500.00	3.55	100.71 %
Total Income	\$6,995.88	\$6,075.00	\$920.88	115.16 %
Cost of Goods Sold				
Cost of Goods Sold	405.00	400.00	5.00	101.25 %
Total Cost of Goods Sold	\$405.00	\$400.00	\$5.00	101.25 %
Gross Profit	\$6,590.88	\$5,675.00	\$915.88	116.14 %
Expenses				
Advertising	74.86	75.00	-0.14	99.81 %
Automobile	312.81	305.00	7.81	102.56 %
Equipment Rental	112.00	75.00	37.00	149.33 %
Insurance	241.23	241.00	0.23	100.10 %
Job Expenses	602.63	535.00	67.63	112.64 %
Legal & Professional Fees	565.00	500.00	65.00	113.00 %
Maintenance and Repair	940.00	700.00	240.00	134.29 %
Meals and Entertainment	28.49	35.00	-6.51	81.40 %
Office Expenses	18.08	20.00	-1.92	90.40 %
Rent or Lease	900.00	900.00	0.00	100.00 %
Utilities	188.45	185.00	3.45	101.86 %
Total Expenses	\$3,983.55	\$3,571.00	\$412.55	111.55 %
Net Operating Income	\$2,607.33	\$2,104.00	\$503.33	123.92 %
Other Expenses				
Miscellaneous	2,666.00		2,666.00	
Total Other Expenses	\$2,666.00	\$0.00	\$2,666.00	0.00%
Net Other Income	\$ -2,666.00	\$0.00	\$ -2,666.00	0.00%
Net Income	\$ -58.67	\$2,104.00	\$ -2,162.67	-2.79 %

What to do with Budget Information

- All of these numbers should not be reviewed in a vacuum. Rather, they should make you ask questions. What happened in June to cause Maintenance and Repair, Equipment Rental and Job Expenses to be so much higher than expected? I would guess that a major piece of equipment broke down and had to be repaired while a replacement was rented for a few days. If that's what really happened, great! If not, it's time for you to put your detective hat on and dig for some more answers.
- Every significant difference should stimulate questions. Why did that number come in so much higher than expected? Why didn't I spend as much money on that category as I had budgeted?
- As the saying goes, "What gets measured gets managed." By reviewing each line and seeing how it compares to your expectations, you'll gain a better understanding of your finances and have a chance to make course corrections. If your sales were lower than expected, do you need to hustle a little more? Maybe you should run a promotion to make some more sales? Or maybe you need to raise your prices? The Budget vs Actual Report won't necessarily hold those answers, but it will let you know what areas need a little extra attention.
- Similarly, if your month was better than expected, how did you do it and can you do it again? Were you better at keeping costs down? Do a little detective work to figure out what worked and put some systems in place so you can do it over and over again.
- As you might imagine, it takes some time — and more than a little coffee! — to prepare the budget at the beginning of the year. Some work upfront gives you a better understanding of your organization all year long, though, so it's time well spent. Plan to review a proposed budget early – before contracts are offered for the following year.
- You will want to make this report a part of the monthly Board report. Each month, reconcile your accounts and run your Budget to Actual Report. Use this report as a report card for your organization to see how well you're doing in keeping your costs under control and hitting your targets throughout the year.

Reading An Audit Report

- Video: <https://www.youtube.com/watch?v=PFl0MupiWiM>
- Pay attention to Findings – they are at the back of the report. These will have to be addressed in a corrective action plan.
- Pay attention to the Financial Reports showing your year-end cash balance and the detailed financial report showing cash balances for each category of funds.
- Pay Attention to Findings and Questioned Costs and the Management Response to those Findings. If you have questioned costs, this is a red flag that changes in your policies or actions to ensure the policies are complied with are needed.

Indian School Equalization Formula

The ISEF was established to allocate ISEP funds.

The ISEF does not attempt to assess the actual cost of school operations at either the local level or in the aggregate at the national level.

The ISEF provides a method of distribution of funds appropriated by Congress for all schools.

Indian School Equalization Program

ISEP is the base funding source for all tribally controlled schools.



Provides for the uniform direct funding of Bureau-operated and tribally operated day schools, boarding schools, and dormitories.



Applies to all schools, dormitories, and administrative units that are funded through the Indian School Equalization Program of the Bureau of Indian Affairs.



See: <https://www.bie.edu/news-article/dtll-indian-school-equalization-program-eligibility-criteria>

ISEP

- Eligibility criteria are found at: 25 U.S.C. § 2007.
- The ISEP funding formula is found at 25 C.F.R. Part 39. Both statute and regulations define “Eligible Indian Student” as a student who:
 - Is a member of, or is at least one-fourth (1/4) degree Indian blood descendant of a member of, a tribe that is eligible for the special programs and services provided by the United States through the Bureau of Indian Affairs to Indians because of their status as Indians;
 - Resides on or near a reservation or meets the criteria for attendance at a Bureau off-reservation home-living school; and
 - Is enrolled in a Bureau-funded school. 25 U.S.C. § 2007(f); 25 C.F.R. § 39.2.
- BIE interprets the above eligibility criteria as requiring that the student either be a tribal member or have a link to a tribal member (through descendancy) that is within a certain proximity (through 1/4 degree blood quantum). In order to allow for the most inclusive interpretation and to ease difficulty in demonstrating through records that a student is eligible, BIE has determined that a student is eligible where the student can demonstrate that they (1) are a member of a federally recognized tribe; (2) have at least one parent or grandparent who is an enrolled member of any federally recognized tribe; or (3) have one-fourth Indian blood from one or more federally recognized tribes.

ISEP and Small Schools

- Average Daily Membership (ADM) means the aggregated ISEP-eligible membership of a school for a school year, divided by the number of school days in the school's submitted calendar.
- A school will qualify for a small school adjustment if either:
 - (a) Its average daily membership (ADM) is less than 100 students;*
 - or*
 - (b) It serves lower grades and has a diploma-awarding high school component with an average instructional daily membership of less than 100 students.*

Student Counts for Membership Purposes? 25 C.F.R. §39.209 and 210

- The Office of Indian Education Programs (OIEP) in the Bureau of Indian Affairs calculates a school's allotment no later than July 1st each year. Schools must submit final ADM enrollment figures no later than June 15.

- OIEP calculates ADM by:

- (a) Adding the total enrollment figures from periodic reports received from each Bureau-funded school; and*

- (b) Dividing the total enrollment for each school by the number of days in the school's reporting period.*

- If a student is enrolled, is in attendance during any of the first 10 days of school, and receives at least 5 days' instruction, the student is deemed to be enrolled all 10 days and shall be counted for ADM purposes.

- The first 10 days of school, for purposes of this section, are determined by the calendar that the school submits to OIEP.

- (a) For ISEP purposes, a school can add a student to the membership when he or she has been enrolled and has received a full day of instruction from the school.*

- (b) Except as provided in § 39.210, to be counted for ADM, a student dropped under § 39.209 must:*

- (1) Be re-enrolled; and

- (2) Receive a full day of instruction from the school.

ISEP and Language Programs

- ISEP funding can be used to implement language development programs that demonstrate the positive effects of Native language programs on students' academic success and English proficiency.
- Funds can be distributed to a total aggregate instructional weight of 0.13 for each eligible student.
- 25 CFR 39.131 defines a language development program.
- **When Must a Student be Dropped From Membership? 25 C.F.R. §2.10? After missing 10 consecutive days, the student must be dropped from the membership count on day 11.**

FUNDING FOR EDUCATION OF STUDENTS WITH DISABILITIES

(a) Each school must provide for students with disabilities by:

(2) Providing resources through residential base funding to meet the needs of students with disabilities under the National Criteria for Home-Living Situations.

(b) A school may spend all or part of the 15 percent academic base funding reserved under paragraph (a)(1) of this section on school-wide programs to benefit all students (including those without disabilities) only if the school can document that it has met all needs of students with disabilities with such funds, and after having done so, there are unspent funds remaining from such funds.

(1) Reserving 15 percent of academic base funding to support special education programs; and

Additional Funding for Special Education Students

Schools may supplement the 15 percent base academic funding reserved under § 39.104 for special education with funds available under part B of the Individuals with Disabilities Education Act (IDEA). To obtain part B funds, the school must submit an application to OIEP. IDEA funds are available only if the school demonstrates that funds reserved under § 39.104(a) are inadequate to pay for services needed by all eligible ISEP students with disabilities.

The Bureau will facilitate the delivery of IDEA part B funding by:

- Providing technical assistance to schools in completing the application for the funds; and
- Providing training to Bureau staff to improve the delivery of part B funds.

ISEP—Gifted and Talented Funding

- ISEP funds can also be used for the provision of gifted and talented students and there is no limit on the number of students a school can classify as gifted and talented.
- **Defining Gifted and Talented:** means students, children or youth who:
 - Give evidence of high achievement capability in areas such as intellectual, creative, artistic or leadership capacity, or in specific academic fields; and
 - Need services or activities not ordinarily provided by the school in order to fully develop those capabilities.
- If a school identifies more than 13 percent of its student population as gifted and talented the Bureau will immediately audit the school's gifted and talented program to ensure that all identified students:
 - (a) Meet the gifted and talented requirement in the regulations;
 - and
 - (b) Are receiving gifted and talented services.
- 25 CFR 39.114 defines the characteristics for gifted and talented students.

Required Certification – Individual Files 25 C.F.R. §4.3 (a)&4.4(b)

(a) Each school must maintain an individual file on each student receiving basic educational and supplemental services. The file must contain written documentation of the following:

(1) Each student's eligibility and attendance records;

(2) A complete listing of all supplemental services provided, including all necessary documentation required by statute and regulations (e.g., a current and complete Individual Education Plan for each student receiving supplemental services); and

(3) Documentation of expenditures and program delivery for student transportation to and from school provided by commercial carriers.

(b) The chief school administrator and the president of the school board are responsible for certifying that the school's ADM and residential count are true and accurate to the best of their knowledge or belief and are supported by appropriate documentation.



TCSA SCHOOL Required Documentation

25 C.F.R. § 39.403 (b)

(b) The School must maintain the following files in a central location:

- 1. The school's ADM and supplemental program counts and residential count;**
- 2. Transportation-related documentation, such as school bus mileage, bus routes;**
- 3. A list of students transported to and from school;**
- 4. An electronic student count program or database;**
- 5. Class record books;**
- 6. Supplemental program class record books;**
- 7. For residential programs, residential student attendance documentation;**
- 8. Evidence of teacher certification; and**
- 9. The school's accreditation certificate.**

Certification and Verification 25 CFR 39.404(c) and 39.405

(c) OIEP's education line officer (ELO) will annually review the following to verify that the information is true and accurate and is supported by program documentation:

1. The eligibility of every student;
2. The school's ADM and supplemental program counts and residential count;
3. Evidence of accreditation;
4. Documentation for all provided basic and supplemental services, including all necessary documentation required by statute and regulations (e.g., a current and complete Individual Education Plan for each student receiving supplemental services); and
5. Documentation required by subpart G of this part for student transportation to and from school provided by commercial carriers.

25 CFR 39.405

- The eligibility of every student shall be verified.
 - The ELO will take a random sampling of five days with a minimum of one day per grading period to verify the information in § 39.404(c).
 - The ELO will verify the count for the count period and verify residency during the remainder of the year.
-

Documentation Required for Additional Services and How Long to Store 25 C.F.R. § 39.406 and 407

Every school must maintain a file on each student receiving additional services. (Additional services include homebound services, institutional services, distance courses, Internet courses or college services.) The school must certify, and its records must show, that:

- (a) Each homebound or institutionalized student is receiving 5 contact hours each week by certified educational personnel;*
- (b) Each student taking college, distance, or internet courses is in physical attendance at the school for at least 3 certified contact hours per day.*

The School must keep records for at least 4 years prior to the current school year, unless federal records retention schedules require a longer period.

U.S. Department of Education

- Office of Indian Education - Office of Elementary and Secondary Education:
<https://www.ed.gov/about/ed-offices/oese/oie>
- The U.S. Office of Indian Education (OIE) administers the Indian Education Program of ESEA, as amended by ESSA (Title VI, Part A), which establishes policies and provides financial and technical assistance for supporting LEAs, Indian Tribes and organizations, post- secondary institutions and other entities in meeting the special educational and cultural related academic needs of American Indians and Alaska Natives, 20 U.S.C. 3423c and 7401 et. seq.

- Specific Grants

Demonstration Grants for Indian Children

Indian Education Formula Grant

Indian Education Professional Development

Tribal State Partnership Grants

Language Grants

And others

Reports That Boards Should Receive and How Often You Should Receive Them - Deadlines for Budget

- 1. Filing on the bank statement reconciliations, payroll taxes paid report, and monthly CANS reimbursements are due by the 28th day of the following month.**
- 2. Quarterly reports: BIE Form 425, IRS 941's, Unemployment report, on the 28th day of the month after the quarter ends, on April 28th, July 28th, October 28th, and January 28th.**
- 3. Budget -Board approved budgets must be submitted to the BIE by May 31st annually.**
- 4. Annual CANS application is due August 15th.**
- 5. Annual Financial Report, Annual Accrued Leave Report, and projected Budget for the new year are all due (We recommend no later than July).**
- 6. Annual Financial Report to BIE is due September 30th for the previous year.**
- 7. Annual Financial Audit is due by March 31st for the previous fiscal year.**

The Mechanics of Reporting


- Generally speaking, if the Tribal Education Code or any other law or grant requirement requires the local School to report something to the Education Agency, or any other body, then the School Board should require school administration to report that information to the School Board.
- Typically, School policies will designate the School's Chief Administrative Officer as the person responsible for submitting reports to the Board.
- The Board can specify what reports it wants to have and the frequency for submission, i.e. monthly, quarterly, annually.
- Some of these time frames are set out in the law and your policies.

Monthly Financial Reports

Investments - If any funds are invested, then the Business Manager should include this in the monthly budget report.



Debt - Policies: Board approval is required for incurring any debt other than operating trade payables and budgeted payroll payables.



Expenditures – Should have a line item report.

Tribal Education Code Requirements

- Reports on written educational data to be provided to the Tribal Education Agency annually.
- Budget Reports
- School boards to include information regarding compliance with Tribal Education standards and curriculum in their annual report to the Education Agency.
- Examples:
 - *CRST Code requires that all schools evaluate educators annually and provide a general summary of the annual evaluations and evaluation methods used and are to be included in the school's annual report to the Education agency.*
 - *CRST Section 902 – Parent Involvement - Schools shall report annually to the Education Agency regarding parent involvement activities, assessments, and outcomes (data).*
 - *OST Education Code Section 900.12-01 requires 10 areas of Reporting, including School Leadership and Parent involvement Reports, Financial Reports, Special Funding Reports and Student Achievement Report.*

Record Retention

Financial records, supporting documents, statistical records, and all other School records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass through entity in the case of a sub-recipient.

If any litigation, claim or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

Transportation

Schools must keep track of the following information in order to obtain transportation funding:

1. The total mileage for each vehicle,
2. The number of students transported by each vehicle,
3. The type and number of activity runs completed,
4. Any inspection(s) completed and the result(s),
5. Preventive maintenance performed on each vehicle,
6. Total fuel and other supplies consumed during the reporting period.
7. Documentation of departure and arrival times of bus routes at each stop. i.e. purpose for each vehicle use – extracurricular versus school regular route for school day.



FOOD SERVICES REPORTING

The Food Service Supervisor is responsible for developing and implementing regular, daily, and other scheduled cleaning assignments for staff to ensure that health and sanitation requirements are consistently met in the food service area.

The Chief Administrator is responsible for submitting sanitation inspection reports and Assessments to the Board

CANS Final Reimbursement Claim Submission Deadline – 60 Days

Final claim for reimbursement shall be submitted in the iCAN system no later than 60 days following the last day of the full month covered by the claim. When the 60th day falls on a Saturday, Sunday, or a Federal holiday, the claim is due on the next business day.

Claim Month	Due Date	(60 days) Final Deadline
July	Aug. 10	Sept. 29
August	Sept. 10	Oct. 30
September	Oct. 10	Nov. 29
October	Nov. 10	Dec.30
November	Dec. 10	Jan. 29
December	Jan. 10	Mar. 1**
January	Feb. 10	April 1**
February	Mar. 10	April 29
March	April 10	May 30
April	May 10	June 29
May	June 10	July 30
June	July 10	Aug.29

•**during a leap year, the due date is one day earlier

Procurement: Federal requirements 2

CFR Part 200 SubPart D

- **Procurement Methods (De Minimis, Small purchases, Sealed Bids, Competitive Proposals, Non-competitive Awards)**
- **Cost Analysis**
- **Contract Clauses Required**
- **Recommended Contract Clauses**
- **<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>**
- **Construction Project Requirements Bonding and TERO**

I. Procurement by Micro Purchase (\$10k or less, unless approved from the Agency for \$50k or less)

- Micro-purchases may be awarded without soliciting competitive quotations -- price must be considered reasonable
- “Reasonableness” can be shown by providing other quotes ; person procuring writes a memo to file documenting what was relied upon (i.e., prior year cost for same product, internet search)
- Maximum extent possible – distribute micro-purchases equitably among qualified suppliers
- To get approval for a \$50,000 micro-purchase threshold you must:
 - Be a low-risk auditee in accordance with 2 CFR 200.520 on last audit
 - Complete a required annual risk assessment to identify, mitigate, and manage financial risks
 - Get agency approval

II. Procurement by Small Purchase: (\$10k - \$250k (simplified acquisition threshold)) – based on price alone

- Price or rate quotations must be obtained from an adequate number of qualified sources (2 or more works)
- Document the quotes – if you have a phone quote from a business: write a memo documenting the business name, person you spoke to, date and time, and amount they quoted, list their contact info; have them send an email; retrieve price from the internet for it before you purchase
- You do not have to advertise in newspaper or online

III. Procurement by Sealed Bids – required for over \$250k; based on price alone

- Formal advertising – minimum 2 weeks
- Bids are publicly solicited
- A fixed price contract is awarded to the *responsive and responsible bidder*, whose bid conforms with all terms and conditions, and is the lowest in price
- Open bids at a public bid opening the bidders can attend

Types of Procurement: 2 CFR 200.320

IV. Procurement by Competitive Proposals:

- Use for purchases over \$10,000 when you are awarding based on more than price like qualifications, experience, and price.
- Generally used when conditions are not appropriate for the use of sealed bids or quotes because it requires services based on skills, or requires development of something (example would be hiring an accountant or a lawyer, or hiring someone to develop your policies).
- Written method is required for processing and selection – Use a point system
 - Example: 25 points experience, 15 points demonstrated success and timely completion; 10 points Indian Preference, 50 points price – Total 100 points. Will be awarded to the proposer who scores the highest.

V. Procurement by Noncompetitive Proposals:

- The item is available from one source.
- Competition is determined to be inadequate – you advertised and received only one bid. If you advertise for too short a time period, then the agency may question it so your options are to readvertise, or we recommend you ask for agency approval (advertising for less than 2 weeks will trigger questions)
- - Emergency situation that is a threat to life, safety, or building integrity. Note: It is not an emergency just because you want it tomorrow.
 - You only receive one quote or one bid
- - If the cost is \$250,000 or more, it requires Awarding agency approval. Get that in writing.
DOCUMENT the FILE with a Memo on why you are doing a sole source procurement.

No Competition

- NO Competition is Required to Buy Textbooks or Curriculum for Schools.

Types of Procurement Continued: 2 CFR 200.320

SAMPLE PROCUREMENT CHART.

Procurement Type	Value Of Contract	Procurement 1 st Step	Procurement Approval Final Step	Type Of Solicitation
Fixed Price	Under \$10,000	Staff Or Department Supervisor	Business Office Manager And Superintendent Approval	Call Or Send Email For 1 Quote
Fixed Price	Over \$10,000 But Under \$250,000 (In The Aggregate In One Year Or For A Contract Not Exceeding One Year)	Business Office Manager	Board Approval	Solicit At Least 3 Contractors/ Receive 2 Quotes
Fixed Price	Over \$250,000	Business Office Manager	Board Approval Upon Recommendation By The Superintendent	Advertise For 2 Weeks- Need At Least 2 Responsive Quotes
Based On Price And Qualifications	Under \$10,000	Staff Or Department Supervisor		Call Or Send Email For 1 Proposal
Based On Price And Qualifications	Over \$10,000 But Under \$250,000(In The Aggregate In One Year Or For A Contract Not Exceeding One Year)	Business Office Manager	Board Approval	Solicit At Least 3 Contractors/ Receive 2 Proposals
Based On Price And Qualifications	Over \$250,000	Business Office Manager	Board Approval Upon Recommendation By The Superintendent	Advertise For 2 Weeks- Need At Least 2 Responsive Proposals
Sole Source All Types	Over \$10,000	Business Office Manager	Board Approval Over \$250,000 Awarding Agency Approval	Option 1) One Source + Cost Is Reasonable; Option 2) Public Emergency + Cost Is Reasonable.

Noncompetitive Procurement: What constitutes an emergency?



Life health or safety is at risk and cannot competitively procure in time
– Boiler bursts, tornado hits



What is not an emergency?

- Failing to issue a solicitation in time to do competitive procurement
- Convenience of the School to have it earlier when life or health isn't at risk

Procurement: Cost Analysis

2 CFR 200.324

- **Mandates that any organization receiving federal funds must perform a "cost or price analysis" for every procurement action exceeding the Simplified Acquisition Threshold, meaning they must carefully evaluate the cost of goods or services before purchasing them, including contract modifications, and must make independent cost estimates before receiving bids or proposals; essentially ensuring the best value for federal funds spent.**

Procurement: Required Contract Clauses

2 CFR 200.327, Appendix II

- **Contracts Over \$10,000:** must address termination for cause and for convenience
- **Contracts Over \$100,000:** Must comply with Byrd Anti-Lobbying Amendment. Certify that contractor will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Contractor must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
- **Contracts Over \$150,000:** Must Comply with Clean Air Act and Federal Water Pollution Control Act
- **Contracts over \$250,000:** Must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as appropriate.
- **Construction Contracts**
 - **Over \$2,000** must comply with Davis-Bacon Wage Rates or TERO Rates if TERO has established fair wage rates. Must also audit payroll from the contractor.
 - **Over \$100,000** must comply with the Overtime law of time and a half under the Contract Work Hours and Safety Standards Act.

Procurement: Bonding and TERO Requirement for Construction and Facility Contracts

2 CFR 200.325 - Bonding Requirements apply to construction or facility improvement contracts which exceed the Simplified Acquisition Threshold of \$250,000. The minimum requirement from bidders and contractors is:

- **Bid Guarantee from each bidder equivalent to 5 percent of the bid price.**
- **Performance Bond for 100 percent of the contract price.**
- **Payment Bond for 100 percent of the contract price.**

TERO REQUIREMENTS UNDER TRIBAL LAW

- **Tribal Employment Rights Office requirements for construction contracts, including**
 - **Indian Preference in award of contracts; and**
 - **Construction contractors must file a TERO Plan and comply with it.**

CLOSING EXERCISE

- Choose a Partner
- Pick a Postcard that reminds you of your partner and hand it to them
- Explain why this reminds you of your Partner

Questions?

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