

ROMEO COMMUNITY SCHOOLS
BUSINESS OFFICE PROCEDURES AND FEDERAL
AWARDS ADMINISTRATION

June 2018

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
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Romeo Community Schools

Business Office Procedures and Federal Awards Administration

Overview

Purpose - This manual has been prepared to document Romeo Community Schools's (the "District") general business procedures and administration of federal awards. Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance, 2 CFR 200) requires all subrecipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

Hierarchy of Authority - In the event that conflicting guidance on the administration of Federal awards is available, the District has deemed Federal guidance to be most authoritative, followed by guidance from the Michigan Department of Education (MDE), and finally other State or local agencies.

Revisions - Guidance provided by the Federal government through the OMB Compliance Supplement and guidance provided by MDE through the Michigan School Accounting Manual are expected to be updated each year. Such updates are considered by the District as they become available and policies and procedures will be revised accordingly.

The Executive Director of Business Services is authorized and required to establish and document operating procedures to ensure compliance with the provisions of federal and state regulations and the provisions of grant agreements. Such procedures are documented herein, and will be reviewed and updated as necessary, but not less than once every three years.

Training - District accounting and finance personnel, and program administrators of Federal awards will be provided the necessary training through various mechanisms, such as: (1) Reviewing monthly State Aid Financial Status Report Updates, accompanying State aid payments (2) consulting with the District's auditors as needed for clarification, (3) participating in various training opportunities, such as those offered by appropriate professional organizations, (4) reviewing daily legislative updates from multiple sources, (5) Membership and participation in monthly meetings of the Michigan School Business Officials, (6) certification of respective positions by the Michigan School Business Officials, i.e.: Business Office Manager, Business Office Specialist, Chief Financial Officer, Human Resource Specialists, School Payroll Specialists and School Technology Management, and (7) coordination and collaboration with individuals performing similar job functions at similar school districts or others within the District

Compliance Failures - Compliance failures, whether noted internally by management or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future. Refer to additional information in the "Training and Sanctions" section of this manual.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
General Accounting and Financial Management

It is the policy of Romeo Community Schools (the “District”) to comply with all statutory, regulatory, and contractual requirements in the conduct of and accounting for its financial operations. The official books of record for the District will be maintained subject to the following provisions:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6800 - System of Accounting

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.
2. The District will comply with all applicable circulars issued by the Office of Management and Budget (OMB), including, but not limited to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance, 2 CFR 200).
3. The District will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.
4. The Board of Education will contract annually with an independent CPA firm for the purposes of conducting the District’s external financial audit. To the extent that the District has expended federal awards in excess of \$750,000, the District will have a single audit performed in accordance with the Uniform Guidance, 2 CFR 200.
5. To ensure continuing compliance with all applicable accounting requirements, the Board of Education may, at its discretion, contract with a CPA firm to provide internal auditing and/or consulting services.
6. The Superintendent shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements as described in the section of this manual titled “Records Retention”.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Purchasing and Procurement

It is the policy of Romeo Community Schools (the “District”) to ensure that all disbursements of District funds are properly reviewed and authorized, and consistent with sound financial management principles. In order to meet these objectives, all disbursements of District funds shall be subject to the following provisions:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6107 - Authorization to Accept and Distribute Electronic Records and to use Electronic Signatures
- 6320 - Purchasing
- 6423 - Use of Purchasing Cards
- 6470 - Payment of Claims
- 6550 - Travel Payment & Reimbursement

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Business Office shall obtain rate quotations for small purchases (\$3,500 - \$150,000) of supplies or services, sealed bids (state competitive bid threshold - \$150,000), or competitive proposals (> \$150,000) for goods and services, as specified by Board policy and State law.
2. To the extent practicable, the Business Office shall distribute micro-purchases (not to exceed \$3,500) equitable among qualified suppliers.
3. For small purchases of supplies and services charged to federal grants (purchases over \$3,500 and under the competitive bid threshold), the Business Office shall obtain an adequate number of qualified sources for rate quotations, and no cost or price analysis.
4. If the competitive bid threshold issued by the State of Michigan Department of Education differs with Board policy, the lower threshold will be utilized. This applies to the activities below under the relevant sections of the Revised School Code. The Executive Director or Business Office Supervisor will be responsible for obtaining information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published by MDE.
 - a. Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program.
 - b. The organization may only use qualification-based methods, whereby competitor’s qualifications are evaluated and the most qualified competitor is selected, in the procurement of the architectural/engineering professional services.

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 Business Office Procedures and Federal Awards Administration
 Financial Management Systems
 Purchasing and Procurement (Continued)

Expenditure Type	Michigan Revised School Code Section
Intermediate School District (ISD) travel expenditures	620
ISD procurement of supplies, materials and equipment	623a
ISD award value limit	634 and 1814
ISD gift value limit (monthly)	635
School building construction, addition, renovation, or repair	1267
School District or Public School Academy procurement of materials, and equipment	1274

5. Purchases made with federal funds in excess of \$150,000 will require cost or price analysis, including independent estimates.
6. Disbursements will be supported by approved vendor invoices. The approved invoice will be attached behind the check stub and filed in the Business Office. A copy of the check will be stapled to the original invoice in order to prevent duplicate payment.
7. The Superintendent is authorized to make purchases for allowable and necessary items within the Board-approved budget allocation.
8. All approved check requests will be processed by the Accounts Payable Clerk. Disbursements will be made by check apart from purchase card purchases, debt service payments, and payroll-related expenses.
9. Prior to processing the weekly check run, the Business Office Supervisor will approve each voucher for payment and compare the voucher to the invoice for accuracy.
10. Checks are sequentially numbered by the financial software package and verified during check runs. Unused check stock is stored in the Business Office. Since the entire check form/image is generated through the printing process (i.e., the check stock is blank), it will not be deemed necessary to use a physically secure location. Checks will be endorsed by MICR during the printing process.
11. Claims and invoices will be paid timely based on the conditions of the vendor invoice. It will not be considered acceptable to incur late and/or finance charges on invoice payment.
12. Checks will only be made payable to a specific payee. It is prohibited to issue a check to “cash” or “bearer”. Similarly, it is prohibited to sign a blank a check.
13. The District may account for the activities of certain student groups and organizations. Since these activities represent outside parties and are not subject to the oversight of the Board and/or District management, they will be accounted for in a trust and agency fund. Such disbursements will be subject to the same policies and procedures and other District disbursements.

14. When an employee incurs work-related expenses to be reimbursed by the District, the following requirements apply:
 - a. The Executive Director of Business Services will develop a standard employee expense report reimbursement form which will be made available to all employees through the District's website. All employee expense reimbursements are required to be made using this standard form.
 - a. The employee expense report will be signed by both the employee and the employee's direct supervisor (or other administrator knowledgeable of the employee's work activities).
 - b. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will attach other acceptable documentation (such as a receipt exception form). This form will certify that the reimbursement is for costs incurred on behalf of the District and is not for illegal or unauthorized costs.
 - c. An employee will not be reimbursed for any expense that is disallowed by Federal cost principles.
 - d. Expense reports of Department Heads will be submitted to the Superintendent for review and approval. Expense reports of the Superintendent will be submitted to the Executive Director of Business Services for review and approval. It will not be acceptable for any employee to approve his/her own expense report.
 - e. Approved expense reports will be submitted to the Accounts Payable Clerk who will verify that expenses are appropriate and supporting documentation is attached.
 - f. The Business Office will not process any expense reimbursements for payment until all necessary signatures have been obtained.
 - g. An employee making a disbursement using personal funds on behalf of the District may be subject to State sales tax, while payments made by the District directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the District.
15. Voided checks will be stamped "VOID" and retained.
16. The Executive Director of Business Services will be responsible for compiling information on disbursements and presenting this information to the Board of Education at its monthly meetings. This information will include:
 - a. Detail listing of payments made by check, including: check number, invoice number, vendor name, payment description and amount.
 - b. Detail listing of individual payments made with purchasing cards, including: amount and vendor. This information will also be presented in a listing with aggregate amounts by vendor.
17. Non-check disbursements (such as ACH transfers for Purchase Cards and Employee Insurance) will be prepared by the Accounts Payable Clerk and initiated in the online banking software by Business Office Supervisor.

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Financial Management Systems
Purchasing and Procurement (Concluded)

18. Specific policies related to credit cards are addressed separately in the section of this manual titled "Credit Card Purchases"

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Cash Receipts

In order to safeguard the funds of the District, cash receipts will be deposited promptly and in-tact according to the following policies:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 0150 - Organization

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Cash will be initially received by the Accounts Payable Clerk. Check stubs and any supporting documents are retained. If no check stub is available, a copy of the physical check will be made and retained to support the receipt.
2. The cash log and supporting documentation will then be provided to the Business Office Supervisor who will determine the appropriate general ledger coding for the receipt and prepare the deposit slip.
3. A copy of the daily receipts listing along with the physical checks, cash, and any supporting documentation will then be provided to the Business Office Supervisor who will review and approve the general ledger coding.
4. The Accounts Payable Clerk will post the batch to the general ledger.
5. Deposits will be made to the bank by the Mail Driver or other designed individual at the frequency specified by Board policy or District procedures.
6. The bank deposit receipt, a carbon copy of the deposit slip, the general ledger batch posting, and all supporting documentation will then be provided to the Accounts Payable Clerk who will compare the items.
7. Deposits slips will be filed internally along with the deposit receipt from the bank and any check stubs/supporting documentation.
8. Receipts of currency are deposited by Mail Truck Driver after verification by two members of that department and reconciliation to cash register receipts. Cashing of checks out of the cash register is prohibited. Cash register receipts are pre-numbered and issued in sequential order.
9. Wire transfers and ACH payments will be recorded through general journal entries.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Payroll and Timekeeping

The following provisions apply to the payment of employees and recording of time and effort (as required) in accordance with Federal Cost Principles.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6510 - Payroll Authorization/Procedures
- 6110 - Grant Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Hourly employees shall submit a timesheet for each pay period, with the following information:
 - a. The total number of hours actually worked each day
 - b. The use of any holiday, personal, vacation, sick, or other approved time off with pay
 - c. The total number of hours to be paid
 - d. An allocation of those hours to each program or department for which work was performed, when necessary
 - e. The dated signature of the employee and his/her supervisor

Romeo Community Schools uses an electronic timekeeping system ETS. Hourly employees punch in and out on the ETS. Timesheets in the ETS are approved by the employees' supervisor on a bi-weekly basis.

The allocation of hours between programs or departments should be based exclusively on the actual hours worked, and not be based on available budgets, or predetermined allocation schedules.

In the event that an after-the-fact correction is necessary to an employee's timesheet due to errors in the allocation of time worked, such corrections must be submitted to the Business Office, and approved in writing by both the employee and his/her supervisor.

2. Salaried employees charged to a Federal grant will document time and effort according to one of the following methods. The method used by employee shall be pre-approved by the Executive Directors of Business Services. If the employee's time is expensed based on budgetary data, an adjustment shall be made at least quarterly to agree the general ledger to the documentation.
 - a. The employee may document time and effort using a timesheet as described above. Timesheets must account for the total activity for which the employee is compensated, and be signed by the employee. It will not be acceptable for timesheets to include the hours worked on Federal grants only.

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Financial Management Systems
Payroll and Timekeeping (Concluded)

- b. Or, the employee may complete personnel activity reports. Such reports will be prepared at least monthly to coincide with specific pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, and be signed by the employee. *Split funded personnel may not have to fill out PARs if the different funding sources are within the same cost objective (i.e. counselors, school improvement activities, Para pros working with struggling learners, etc.)*
 - c. Budgets, lesson plans, and calendars/daily planners will not be deemed allowable documentation to support personnel costs and therefore will not be accepted by the Business Office.
 - d. It is the responsibility of the employee being charged to a Federal award(s) to clarify documentation requirements with the Executive Director of Business Services and provide appropriate documentation to the Business Office as it becomes available. The employee should retain a copy of the documentation for his/her personal records.
3. Salaried employees who work 100 percent of their time on a single Federal award or cost objective (regardless of the availability of Federal funding) shall have the option to complete semi-annual time certifications or personnel activity reports (described above). The certifications will be prepared at least semi-annually and signed by either the employee and/or a supervisory official having first-hand knowledge of the work performed by the employee.
- Certifications should never be signed prior to the end date of the period being certified. Each certification should be provided to the Business Office when available. Employees should retain a copy of the certifications for his/her personal records.
4. Prior to payment, a pro forma report of the pay run will be provided to the Business Office Supervisor for review and approval.
 5. Refer to the Appendix for a sample semi-annual certification and personnel activity report.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Bank Reconciliations

The following procedures will apply to the reconciliation of bank accounts:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

6207 - Authorization to Accept and Distribute Electronic Records and to Use Electronic Signatures
6111 - Internal Controls
6470 - Payment of Claims

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Bank reconciliations will be performed monthly for each bank account by the Business Office Supervisor.
2. Bank reconciliations will be completed within 60 days of month-end.
3. If not independently reviewed and approved already, interbank transfers, ACH receipts, and EFT payments recorded through general journal entry will be verified as part of the bank reconciliation process.
4. Bank reconciliations will be subject to review and approval by an independent administrator. The reviewer will sign and date the reconciliation as evidence of the control.

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Business Office Procedures and Federal Awards Administration
Financial Management Systems
Journal Entries and Non-Routine Transactions

The District will occasionally need to record a general journal entry or other non-routine transaction. Such transactions may relate to Federal awards. The following procedures apply to all general journal entries:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6107 - Authorization to Accept and Distribute Electronic Records and to Use Electronic Signatures
- 6110 - Grant Funds
- 6111 - Internal Controls

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. General journal entries will be an allowable transaction type for recording: corrections and adjustments, accruals and reversing entries, interfund activity, interbank activity, EFT payments, ACH transfers, etc., to the extent that the entries can be reasonably supported.
2. All general journal entries will be filed with adequate supporting documentation.
3. Each general journal entry will be signed/initialed and dated by the preparer.
4. All entries will be reviewed and approved by an independent administrator who will also sign/initial and date as evidence of the control.
5. The ability to post general journal entries in the accounting system will be limited to specific employees. Refer to the section of this manual titled "Information Technology" for additional information.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Investments

The following policies and procedures will apply to the purchase, safekeeping and recordkeeping of the District's investments.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6144 - Investment Income

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

Purchasing

1. Authorization for acquisition and disposition of investments is vested with the Board of Education.
2. The Superintendent is charged with the responsibility of determining that investments are of the character and type permitted by legal requirements and that the income earned is dispersed for authorized purposes.

Safekeeping

3. All persons having access to securities are authorized by the Board of Education.
4. All securities will be held in the name of the District.

Recordkeeping

5. Detailed records will be maintained for all investments including:
 - a. Date of acquisition, identification, purchase amount/cost
 - b. Physical location
 - c. Interest/dividend/income rates and accrual/receipt dates
 - d. Ownership by fund
6. Detailed records will be periodically reconciled to the general ledger control accounts and to safekeeping statements by the Business Office Supervisor.
7. Investment income is recorded on a timely basis. Investment earnings are credited to the fund "owning" the investment. Any adjustments of investment accounts are approved by the Executive Director of Business Services.
8. Calculations of fair value and investment income will be periodically reviewed for accuracy by the Executive Director of Business Services.

9. Access to computerized investment records is limited to those with a logical need for access. Refer to additional information on computer security controls in the section of this manual titled "Information Technology".

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Capital Assets

The following provisions will govern the purchasing, accounting, and inventory of capital assets:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 7450 - Property Inventory
- 7455 - Accounting System for Fixed Assets

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. *Capital assets* means tangible or intangible assets used in operations having a useful live of more than one year which are capitalized in accordance with GAAP.
2. Procurement of capital assets will be governed by the Board of Education's procurement and purchasing policies.
3. Donated capital assets will be recorded at estimated acquisition cost at the date of donation.
4. Purchases of capital assets will be recorded as capital outlay expenditures in the governmental fund financial statements, and capitalized as noncurrent assets in the government-wide statements. Donated capital assets will be recorded as a government-wide adjustment only. All capital assets will be depreciated using the straight-line method over estimated useful lives.
5. Capital asset purchases financed through bonds payable will be made in compliance with the *Bulletin for School District Audits of Bonded Construction and of Sinking Funds* issued by the State of Michigan Department of Treasury.
6. Capital assets with useful lives (i.e., excluding land and construction in progress) will be depreciated using a consistent and systematic approach allowable under GAAP or as specified by Board policy.
7. Construction or other capital projects in progress at year-end will be reported as "construction in progress" until the related asset is placed into service. No depreciation expense will be incurred on such assets. Outstanding construction commitments at year-end will be disclosed in the audited financial statements.
8. If the District determines that depreciation expense cannot be reasonably allocated by function, it will be deemed allowable to report all or a portion of depreciation expense as "Depreciation - unallocated" in the government-wide statement of activities, to the extent that this approach remains allowable under GAAP.

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Financial Management Systems
Capital Assets (Concluded)

9. The District may outsource the maintenance of depreciation schedules to a third-party consultant or its external auditors. In those instances, additions (along with the estimated useful lives) and disposals will be identified by the Executive Director of Business Services.
10. To the extent that capital assets are purchased with Federal funds, such items will be flagged as “Federally-funded” in the financial accounting records in order to ensure the appropriate use of proceeds on sale (if applicable) in accordance with Federal guidelines.
11. To the extent that the District has purchased capital assets with Federal funds, a complete inventory will be complete not less than once every two years. Assets purchased with federal funds will be tagged accordingly (grant name, etc.) As part of this process:
 - a. A detailed listing of capital assets from the financial accounting records will be provided to building principals and other department heads for input on accuracy, completeness, and existence of assets. Inconsistencies will be investigated and resolved and the financial accounting records will be adjusted accordingly.
 - b. Remaining useful lives of capital assets will be reviewed for reasonableness and adjusted when considered necessary and appropriate.
 - c. A description of what the asset will be used for and where it will be located will be included in the inventory.
12. Other policies and procedures related to compliance with the provisions of the OMB compliance supplement are included within this manual in the section titled “Equipment and Real Property Management”.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Long-term Debt

The following provisions will govern the issuance of long-term debt (including, but not limited to: bonds and notes payable, capital assets, installment purchase agreements, State Aid Anticipation Notes, compensated absences, and severance agreements/early retirement incentives):

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6145 - Borrowing

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The issuance of long-term debt will be subject to approval by the Board of Education and the Michigan Department of Treasury.
2. The issuance of long-term debt will be recorded as an “other financial source” in the governmental fund financial statements, along with any premium or discount thereon. Costs of issuance will be reported in the governmental fund financial statements as a component of debt service expenditures.

In the full-accrual government-wide statements, long-term debt and any related discounts, premiums will be reported as a liability. Deferred charges related to bond refunding’s will be reported as deferred outflows of resources or deferred inflows of resources, as applicable. Bond issuance costs will be expensed when incurred and reported as a component of interest expense in the government-wide statement of activities.

3. Short-term debt (such as State Aid Anticipation Notes) with an initial maturity of less than one-year will be recorded as a liability in the governmental fund financial statements, along with accrued interest payable thereon.
4. Compensated absences payable will be recorded in the government-wide statements for earned but unused sick and vacation time, as provided for in bargaining agreements and/or personnel policies. Such accruals will be limited to the maximum payout based on these policies.
5. Severance agreements/early retirement incentives will also be recorded liabilities in the government-wide statements. Multi-year agreements will be reported at the net present value using a discount rate equal to the rate management expects to earn on the assets used to liquidate such liabilities. A current portion will be recorded each year, based on the payment schedule in the severance agreement.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Grant Administration

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 7450 - Property Inventory

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Grant Development, Application, and Approval -

- a. Legislative Approval - The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by “an individual authorized by the legislative body”, then Board of Education approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the Superintendent may, at his or her discretion, approve grant applications.
- b. Matching Funds - Grants that require cash local matches must be coordinated through the Business Office. At a minimum, funds must be identified within the existing budget to provide the match, or a budget amendment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

In all cases involving matching funds, the grant applicant should contact the Business Office to determine the strategy for securing matching funds.

Refer to the section within this manual titled “Matching, Level of Effort, and Earmarking” for additional information on compliance with the provisions of the OMB Compliance Supplement.

- c. Grant Budgets - Most grants require the submission of an expenditure budget. The Assistant Superintendent of Academic Services should review this portion of the grant request prior to submission. Frequently, a technical review will discover inconsistencies in the calculations, cost centers that might have been overlooked, or identify reimbursable expenses of which program staff may not be aware—particularly in the indirect cost area.

Grant applicants should contact the Assistant Superintendent of Academic Services to request a technical review of a grant proposal budget.

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Financial Management Systems
Grant Administration (Continued)

2. Grant Program Implementation -

- a. Notification and Acceptance of an Award - Official notification of a grant award is typically sent by a funding agency to the program director and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the Board of Education through the approval of a grant budget.

Adoption of the grant budget as a component of the District-wide operating budget is deemed to be sufficient approval.

- b. Establishment of Accounts - The department that obtained the grant will provide the Executive Director of Business Services with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.

To the extent that the grant awarded is included in the Michigan School Accounting Manual, such guidance will be followed without exception.

- c. Purchasing Guidelines - All other District purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork and bidding requirements apply. All normal staff approvals apply. When in doubt, the program director should contact the Assistant Superintendent of Academic Services for further assistance.

3. Financial and Budgetary Compliance -

- a. Monitoring Grant Funds - Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance. The Executive Director of Business Services maintains all this information in the District's accounting system as well, and this is considered to be the District's "official" accounting system by the granting agencies. Program Directors are strongly encouraged to use general ledger reports provided by the Director of Business Services for their grant tracking.

If any "off-system" accounting records are maintained, it is the responsibility of the Program Director to ensure that the program's internal records agree to the District's accounting system.

- b. Fiscal Years - Occasionally, the fiscal year for the granting agency will not coincide with the District's fiscal year. This may require adjustments to the District's internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Program Director to bring such discrepancies to the attention of the Executive Director of Business Services at the time the grant accounts are established.

Romeo Community Schools
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Financial Management Systems
Grant Administration (Concluded)

- c. Grant Budgets - When the general ledger accounting structure for a grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the program director be authorized to exceed the total budget authority provided by the grant.

If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the program director to notify the Executive Director of Business Services that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the OMB Compliance Supplement. The difference in carryover timelines between state and federal funds will be reviewed. Some state programs have defined carryover periods that are found in state legislation rather than the Uniform Guidance, 2 CFR 200 or other federal compliance documents.

- d. Capital Assets - The District is responsible for maintaining an inventory of assets purchased with grant monies. The District is accountable for them and must make them physically available for inspection during any audit. The Executive Director of Business Services must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulations and CFR 200.443 for more information on assets purchased with federal funds).

The Assistant Superintendent of Academic Services or the Executive Director of Business Services will coordinate this grant requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Assistant Superintendent of Academic Services or the Executive Director of Business Services. Refer to the sections of this manual titled “Capital Assets” and “Equipment and Real Property Management” for additional information.

4. Record Keeping -

- a. Audit Workpapers - The District’s external auditors audit all grants at the end of each fiscal year. The Executive Director of Business Services will prepare the required audit workpapers. Program Directors may be asked to assist in this process, if necessary.
- b. Record Keeping Requirements - Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Executive Director of Business Services will maintain copies of all grant draw requests, and approved grant agreements (including budgets). The Program Director should maintain all other records.

Refer to this section of this manual titled “Records Retention” for additional information.

5. Other Guidelines - Specific information on policies and procedures related to compliance with the provisions of the OMB Compliance Supplement have been addressed later in this manual and should be considered along with the information in this section.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Year-end Closing and Reporting

The following provisions will govern the year-end close-out process of the District for purposes of external financial reporting:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6470 - Payment of Claims
- 6800 - System of Accounting
- 6830 - Audit

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. In accordance with the Michigan Department of Education requirement, the District's fiscal year end for external reporting purposes will be June 30.
2. Accruals will be recorded as needed to ensure that revenues and expenditures are reported in the appropriate accounting period:
 - a. Accounts Payable Disbursements - Invoices for goods or services received during the previous fiscal year will be recorded as expense/accounts payable as of June 30. Such determinations will be made by the Accounts Payable Clerk and reviewed for accuracy and completeness by the Business Office Supervisor.
 - b. Payroll-related Accruals - Costs of hourly personnel paid after June 30 for services performed during the previous year will be recorded as expenditures/salaries payable at June 30. The amount will be based on hours worked during the fiscal year multiplied by the employee's hourly rate. Additional consideration will be made for FICA taxes, retirement benefits, health insurance, and related employee benefits.

Salaried teachers and other employees working during the academic year only may elect to receive their annual salary over the course of the academic year or over the course of the 12 months ended August 31 of each year. In the former, all salary payments will have been made prior to June 30 and no additional accrual is necessary. In the latter, the difference between the total salary and the amount paid through June 30 will be recorded as expense/salaries payable at June 30 since the period of service is complete at that time. Additional consideration will be made for FICA taxes, retirement, health insurance, and related employee benefits.

Health insurance and other benefits for employees working on an academic year only will be accrued for the months of July and August and recorded as expenditures/benefits payable at June 30.

Payroll accruals will be prepared and documented by the Payroll Coordinator and reviewed by the Business Office Supervisor.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Year-end Closing and Reporting (Continued)

- c. Prepays - Payments made prior to year-end that cover goods or services to be received in a future period will be recorded as prepaid items as of June 30. The District may elect to not record prepaid items in governmental funds in accordance with GASB Codification 1600.127 *Other Expenditure Recognition Alternatives*.
 - d. Inventory - If deemed material, a physical inventory of school building supplies and vocational education program materials will be performed after the completion of the academic school year, but no later than June 30. Amounts will be valued at current cost and provided to the Business Office for review and adjustment in the general ledger. Certain inventories may be stored at third-party locations. In order to appropriately account for these items, the District will contact the third-party at year-end for verification of the quantity of product on hand.
 - e. Receivables - General - Cash received after year-end for which a good or service was provided during the previous fiscal year will be recorded as revenue/accounts receivable. All such adjustments will be supported by appropriate documentation, such as remittance advices or dated subledgers.
 - f. Receivables - Grant - After all year-end expense accruals have been recorded, an entry will be recorded for the difference between grant expenditures and related grant receipts as of June 30 as revenue/grants receivable. Grant receivables will only be recorded to the extent that sufficient amounts remain in the grant award. Expenditures that will not be reimbursed through grant awards due to lack of available funding will be transferred to a non-grant cost center.
 - g. Receivables - State Aid - State Aid is provided to Michigan School Districts in 11 installments from October through August. Therefore, since the July and August State Aid receipts are intended to finance the previous fiscal year, such amounts will be recorded as revenue/receivable at June 30.
3. The preparation of the year-end financial statements in accordance with GAAP will be outsourced to the independent external auditors, based on the District's trial balance. The draft financial statements provided by the auditors will be reviewed in detail by the Executive Director of Business Services along with any audit-proposed journal entries, to ensure that the audited financial statements agree to the District's books and records.

Refer to the policy on "audits" within this manual for further information on audit requirements and related School policies.

4. To the extent that the District is required to have a single audit completed in accordance with the Uniform Guidance, 2 CFR 200, the District will accumulate the information necessary to prepare a schedule of expenditures of federal awards (SEFA or the "schedule") in accordance with Federal and State requirements. This schedule will be characterized as follows:

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Year-end Closing and Reporting (Concluded)

- a. Non-cash assistance (such as food commodities) will be described as such in the schedule or in the notes to the schedule.
- b. The schedule will be prepared on the same basis of accounting as the related financial statements.
- c. Federal grants received through the Michigan Department of Education will agree to, or reconcile with, the Grant Auditor Report, as applicable.
- d. Federal awards will be grouped based on Federal awarding agency. Each Federal award with current expenditures will be listed along with its CFDA number, pass-through grantor name (if applicable) and award/pass-through grantor number (if applicable). Such information will agree to the award documentation.
- e. If the CFDA number of a Federal award cannot be reasonably determined, it shall be reported in the schedule using the two-digit prefix for the related Federal agency, followed by "UNKNOWN".
- f. In addition to current year expenditures, the schedule will list approved award/grant amount, accrued/unearned revenue at the beginning of the year, current year cash received, current year actual expenditures, accrued/unearned revenue at the end of the year, and the dollar amount provided to subrecipients. If expenditures were incurred relative to this award in the prior year(s), this amount should be disclosed as memorandum-only.
- g. Any adjustments to prior year awards, expenditures, and balances (including transfers between grants) will be disclosed in the footnotes to the schedule.
- h. Accrued/unearned revenue in the schedule shall agree to the amounts recorded in the related financial statements.
- i. To the extent that a separate line item is included in the financial statements for Federal revenue, this amount shall agree to expenditures in the schedule. Any reconciling items will be disclosed in the footnotes to the schedule.
- j. The footnotes to the schedule will disclose the significant accounting policies used in preparing the schedule and the fact that management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the schedule. The footnotes will also indicate whether the de minimis rate for indirect costs has been utilized.

Romeo Community Schools
 Business Office Procedures and Federal Awards Administration
 Michigan Department of Education Requirements
 Chart of Accounts

Romeo Community Schools will maintain its chart of accounts in accordance with the requirements of the Michigan School Accounting Manual.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6800 - System of Accounting

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Each account will be assigned a 26-digit number, as follows:

Fund	Major Class	Suffix	Function	Object	Program	State Code	School	Other
XX	XXX	XXXX	XXX	XXXX	XXX	XXXX	XXXXX	XXXX

Numbers assigned to each category above will be based on the specific requirements of the School Accounting Manual.

2. As applicable, Federal awards revenue and expenditures will be assigned certain program codes.
3. The chart of accounts will facilitate the preparation of the Financial Information Database (FID) and will agree to the audited financial statements.
4. A complete chart of accounts for GASB 34 adjustments will not be maintained formally within the District's accounting system. Such adjustments are made once per year, for external financial reporting only, and therefore will be determined through use of separate spreadsheets, and integrated into the audit by the District's independent auditors. The Executive Director of Business Services will review all such adjustments for accuracy prior to the issuance of the audited financial statements.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Michigan Department of Education Requirements
Annual Audit

Every Michigan public school must have a financial statement audit completed each year by a certified public accounting firm.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6830 - Audit

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will have a financial statement audit completed annually as of its fiscal year ended June 30.
2. The audit will be completed in accordance with *Government Auditing Standards* (the “Yellow Book”).
3. An adequate written agreement (the “engagement letter”) will be signed by the District and its independent auditors. It will contain information on: period to be audited, support to be provided, reporting requirements, fees, time requirements, contractual information, and a statement that the engagement is intended to meet governmental oversight agencies’ requirements (Michigan School Auditing Manual, OMB, GAAS and GAS). A copy of the engagement letter will be provided each year to the Board of Education.
4. The Executive Director of Business Services shall be responsible for overseeing the process of preparing for the annual audit. In order to minimize errors in this process, all audit schedules and workpapers should be reviewed by an individual other than the preparer.
5. To the extent that expenditures of federal awards equal or exceed \$750,000, the District will also have a single audit completed in accordance with CFR 200.501. Refer to the section of this manual titled “Year-end Closing and Reporting” for information on the schedule of expenditures of federal awards.
6. The audit will be submitted electronically to the Michigan Department of Education Office of Audits (MDE-FinAudit@michigan.gov) on or before November 1 of each year. The electronic submission will be performed by the District’s independent auditors.
7. If a single audit is conducted, the data collection form and reporting package will be submitted electronically to the Federal Audit Clearinghouse as a joint effort between the District and its independent auditors.
8. The District will prepare a written corrective action plan for any findings identified in the audit process.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Michigan Department of Education Requirements
Annual Audit (Concluded)

9. If the District issues general obligation bonds to finance capital projects, a bond audit will be performed by the District's independent auditors within 120 days of substantial completion of the project. The bond audit will be submitted to the Michigan Department of Treasury.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Michigan Department of Education Requirements
Budgets and Budgetary Compliance

Romeo Community Schools (the “District”) uses budgets and budgetary accounting in order to fulfill its requirements from the Michigan Department of Education and as an internal management tool for monitoring expenditures and identifying abnormalities. Policies and procedures regarding the budgetary process are as follows:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6210 - Fiscal Planning
- 6220 - Budget Preparation
- 6230 - Budget Hearing
- 6231 - Budget Implementation
- 6800 - System of Accounting

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. An operating budget will be prepared for the general fund and each special revenue fund consistent with GAAP and the uniform chart of accounts (see previous section titled “Chart of Accounts”).
2. The minimum level of legal control will be determined based on the specification of the Michigan School Accounting Manual.
3. In accordance with MCL 141.411-415 and MCL 15.261-275, a public hearing on the budget will be held prior to formal adoption by the Board of Education.
4. The budget will be formally adopted by the Board of Education prior to the commencement of the fiscal year.
5. The adopted budget will include:
 - a. Revenue and expenditure data for the most recently completed fiscal year and estimated revenue and expenditures for the ensuing fiscal year.
 - b. The amount of surplus or deficit that has accumulated from prior fiscal year, along with an estimate of the amount of surplus or deficit expected in the current fiscal year.
 - c. An estimate of the amounts needed for deficiency, contingent, or emergency purposes. If possible, a short contingency plan will accompany this piece.
 - d. Other data relating to fiscal conditions that the Superintendent deems to be useful.
6. The budget will be amended by the Board of Education, as necessary, throughout the fiscal year. No budget amendments will be allowable after year-end.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Michigan Department of Education Requirements
Budgets and Budgetary Compliance (Concluded)

7. In no instance will the total estimated expenditures, including an accrued deficit, exceed the total revenues, including available unappropriated surplus.
8. The budgets will be posted to the District's website within 15 days of formal adoption.
9. Expenditures in excess of budget at the legal level of compliance will be disclosed in the annual audit.
10. The original budget, final amended budget, actual expenditures, and excess of expenditures over budget will be included for the general fund and each major special revenue fund in the annual audit.
11. Each Federal grant will have an award budget, which will be incorporated into the District-wide operating budget.
12. Management will review budget vs. actual reports on a periodic basis with the Board of Education in order to identify inconsistencies. Such reports will be prepared at the same as the adopted budget and include both revenues and expenditures.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Michigan Department of Education Requirements
Additional Federal Awards Compliance Requirements

A substantial amount of the Federal awards received by the Romeo Community Schools are passed-through the Michigan Department of Education. In addition to the requirements of the OMB compliance supplement, which are applicable to all Federal grants (refer to next section of this manual for specific on each compliance requirement), the Michigan Department of Education has issued its own set of guidance on compliance with Federal awards. Management will consider both the OMB Compliance Supplement and the Michigan Department of Education School Auditing Manual in identifying applicable compliance requirements.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
General Information

Source of Information - Each year the Federal government (Office of Management and Budget) issues a comprehensive document on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards. There are 12 compliance requirements identified, each of which is considered individually in this manual.

The following pages document the policies and procedures of the District related to compliance with such procedures, as applicable. In each year that the District is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the District's independent auditors.

Objectives - The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the District have been based on the generic sense of the compliance requirement. For selected compliance requirements, this manual addresses the specific regulations applicable to individual grants. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the District that all Federal awards are subject to the following procedures.

Controls over Compliance - In addition to creating policies and procedures over compliance with provisions of Federal awards, the District has implemented internal controls over such compliance, generally in the form over administrative oversight and/or independent review and approval. In order to document these control activities, all independent reviews and signed/initialed and dated.

Documentation - The District will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the District's independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles

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 Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 6111 - Internal Controls
- 6325 - Procurement - Federal Grants/Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. All grant expenditures will be in compliance with the Uniform Guidance, 2 CFR 200, 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 allowable costs and costs must meet the following general criteria to be allowable under Federal awards:
 - a. Be reasonable and necessary for the performance of the program and allocable thereto (see detail below);
 - b. Conform to any limitations or exclusions set forth in applicable regulations or in the award itself;
 - c. Be consistent with policies and procedures that apply uniformly to federally-financed activities and other activities of the non-Federal entity; and
 - d. 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.
 - e. 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.
 - f. Be adequately documented.
2. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:
 - a. Whether the cost is ordinary and necessary for the proper and efficient performance of the Federal award;

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles (Concluded)

- b. The requirements imposed by such factors as: sound business practices; arms-length bargaining; Federal, state, local, tribal and other laws and regulations; and
 - c. Market prices for comparable goods or services.
3. A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with the relative benefits received. This standard is met if the cost:
- a. Is incurred specifically for the Federal award:
 - b. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - c. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.
4. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to the Federal award. To the extent that such credits relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

The Federal award may be subject to statutory requirements that limit the allowability of costs. Payments made for costs determined to be unallowable must be refunded (including interest) to the Federal Government unless Federal statute or regulation directs otherwise.

- 5. Grant expenditures will be approved by department heads/program managers initially through the purchase order 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.
- 6. Payroll costs will be documented in accordance with the Uniform Guidance, 2 CFR 200 as described in the section of this manual titled "Payroll and Timekeeping".
- 7. Indirect costs will be charged to federal grants at the federally negotiated indirect cost rate (if available) or the de minimis rate of 10% permitted by the Uniform Guidance, 2 CFR 200. The selected rate will be applied to Modified Total Direct Costs (MTDC). The District may, at its discretion, choose to use all available grant funds for program purposes and not charge an indirect cost rate to a federal award.
- 8. To the extent that the District passes through federal awards to subrecipients, the District will review the subrecipient's grant budgets for compliance with allowable/unallowable costs.

Romeo Community Schools

Business Office Procedures and Federal Awards Administration

OMB Compliance Supplement

Cash Management

Source of Governing Requirements - The requirements for cash management are contained in the Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 6111 - Internal Controls

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

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.
2. Cash draws will be initiated by the Executive Director of Business Services who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated. An individual independent of this determination will review the draw amount and sign/initial the paperwork as evidence of the control.
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 Executive Director of Business Services.
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. To the extent that the District passes through federal awards to subrecipients, the District will make payments to subrecipients within 30 calendar days after receipt of billing unless the District reasonably believes the request to be improper.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Eligibility

Source of Governing Requirements - The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.
2. Free and reduced lunch applications will be available at District offices, on the District's website, and will be mailed to each postbox in the District's geographical area prior to the commencement of the school year. If CEP, a household survey will be completed in place of free/reduced price applications.
 - a. In accordance with grant guidelines, an eligible student from the immediately preceding school year will be deemed eligible for the first 30 school days of the next academic year, or until a revised application is submitted.
 - b. Letters will be generated prior to the end of the 30-day grace period to notify families that eligibility will cease at the end of this period if a revised application indicating student eligibility is not submitted.
 - c. Income eligibility guidelines will be updated annually based on a letter provided to the District by the Michigan Department of Education. Completed applications will be input into the food service software by the Food Service Director or designee and the software will make the eligibility determination automatically. The Food Service Director will oversee this process and double-check data input periodically for accuracy. Paper applications will be retained and filed alphabetically by year. If a revised application is submitted during the school year, it will be stapled in front of the previous application.
3. On an annual basis, the District will verify the current free and reduced-price eligibility of households selected from a sample of applications that it has approved for free and reduced-price meals. The sample size will be based on the lesser 3 percent of the total number of approved applications on file as of October 1st, or 3,000. Follow-up action will be taken for children whose eligibility status has changed as a result of the verification activities. This verification process will be the responsibility of the Food Service Director.
4. Eligible attendance areas under the Title I program will be determined annually based on free and reduced lunch counts and total enrollment counts from the same period.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Equipment and Real Property Management

Source of Governing Requirements - The requirements for equipment are contained in the Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 Grant Funds
- 7450 Property Inventory

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. All equipment will be used in the program for which it was acquired or, when appropriate, other Federal programs.
2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Executive Director of Business Services will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
3. Equipment records will be maintained and an appropriate system shall be used to safeguard equipment, as described in the section of this manual titled "Capital Assets".
4. When equipment with a current per unit fair market value of \$5,000 or more is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Matching, Level of Effort and Earmarking

Source of Governing Requirements - The requirements for matching are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Romeo Community Schools defines “matching”, “level of effort”, and “earmarking” consistent with the definitions of the OMB Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program’s funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 2261 - Title I Services

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Compliance with matching, level of effort, and earmarking requirements will be the responsibility of the Assistant Superintendent of Academic Services.
2. Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to school administration, auditors, and pass-through or grantor agencies, as requested.
3. Maintenance of effort for grants through the Michigan Department of Education will be determined at the State level.
4. Services provided in Title I schools will be at least comparable to services provided in non-Title I schools. Comparability will be based on the instructional staff/pupil ratios or the per pupil expenditures for instruction staff between equivalent grade span schools within the District.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Period of Performance

Source of Governing Requirements - The requirements for period of performance of Federal funds are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 2261 - Title I Services

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).
2. All obligations will be liquidated not later than 90 days after the end of the funding period (or as specified by program legislation).
3. Compliance with period of performance requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval in the Business Office as part of the payment processing.
4. No more than 15 percent of the District's annual Title I allocation will be carried over to the subsequent year. In situations where the remaining unspent award exceeds this percentage, a waiver will be formally requested from the Michigan Department of Education.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Procurement, Suspension and Debarment

Source of Governing Requirements - The requirements for procurement are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations Uniform Guidance, 2 CFR 200, program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6325 - Procurement -Federal Grants/Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the District (described in the section of this manual titled “Purchasing and Procurement”).
2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.
3. Procurement will provide for full and open competition in accordance with 2 CFR 200.318 and 200.319.
4. The District is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

“Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. All non-procurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

5. The District will ensure that compliance with suspension/debarment requirements through one of the following controls:
 - a. Including a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the District immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.

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OMB Compliance Supplement
Procurement, Suspension and Debarment (Concluded)

- b. Requiring vendors and contractors to sign a statement certifying that they are not suspended or debarred and agreeing to notify the District immediately upon being suspended or debarred. This would also serve as adequate documentation as long as the contract/vendor relationship remains in effect.
 - c. Periodically searching the federal excluded parties database at www.sam.gov and the State of Michigan debarred vendor list at <http://www.michigan.gov/micontractconnect/0,4541,7-225-48677-354349--,00.html> for the vendor name. Any potential match would be followed-up on immediately. A listing of the vendors search and the date of the procedures would be retained.
6. If a vendor is found to be suspended or debarred, the District will immediately cease to do business with this vendor.

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Program Income

Source of Governing Requirements - The requirements for program income are found in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds
- 6800 - System of Accounting

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award.
2. Romeo Community Schools will allow program income to be used in one of three methods:
 - a. Deducted from outlays
 - b. Added to the project budget
 - c. Used to meet matching requirements

Absent specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

3. Program income, when applicable, will be accounted for as a revenue source in the same program code as the Federal grant. See additional information on the uniform chart of accounts in the section of this manual titled "Chart of Accounts".

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OMB Compliance Supplement
Reporting

Source of Governing Requirements - Reporting requirements are contained in the following documents:

Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Reports will be submitted in the required frequency and within the required deadlines. For grants through the Michigan Department of Education, a final expenditure report will be filed within 60 days of the expenditure of all funds or within 60 days of the grant ending date, whichever comes first.
2. Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, grantor website, postal service, etc.).
3. Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission in order to document compliance with timeliness requirements.
4. Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the general accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.
5. Any report with financial-related data will either be prepared or reviewed by the Business Manager.
6. Preparation of reports will be the responsibility of Superintendent. All reports (whether financial, performance, or special) must be reviewed and approved by a knowledgeable administrator or Board member prior to submission. Both the preparer and reviewer will sign and date the report and retain this documentation.
7. Copies of submitted reports with preparer and reviewer signatures and dates will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to school administration, auditors, and pass-through or grantor agencies, as requested.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Subrecipient Monitoring

Source of Governing Requirements - The requirements for subrecipient monitoring are contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), OMB regulations, Uniform Guidance, 2 CFR 200, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

Sample policies over subrecipient monitoring have not been developed at this time.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
OMB Compliance Supplement
Special Tests and Provisions

Source of Governing Requirements - The laws, regulations, and the provisions of contract or grant agreements pertaining to the program

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grants Funds
- 3120 - Employment of Professional Staff

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Superintendent will be assigned the responsibility for identifying financial-related compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation. Program-related compliance requirements will be the responsibility of the department administering the grant.
2. In any given fiscal year that the District's Title I award is more than \$500,000, an amount equal to at least 1 percent of the grant award will be set-aside for parent involvement activities. Of this amount, at least 95 percent will be distributed to schools. The District will use separate general ledger account(s) to track the expenditure of such funds.
3. Annually, the District will offer participation in its Title I program to private schools within the District's eligible attendance area. Correspondence will be made by the Assistant Superintendent of Academic Services and copies will be retained. The District will request that the private school respond in writing whether the offer is accepted or rejected. This documentation will also be retained.
4. Teachers need to meet state standards for certification. Instructional paraprofessionals will meet the definition of "highly qualified". Documentation to support highly qualified status will be retained in the employee's personnel file and made available to auditors or grantor agencies upon request. The Employees Services Director will be responsible for ensuring that all teachers and instructional paraprofessionals in Title I classrooms meet these standard and have adequate documentation on file.
5. Set-asides may be required for Priority and Focus schools. Refer to Mi Excel for additional information. Set-asides will become obsolete after the 2017-2018 school year.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Conflict of Interest

Transactions involved Federal awards are subject to all conflict of interest policies, as applicable:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 1130 - Conflict of Interest
- 3110 - Conflict of Interest
- 4110 - Conflict of Interest

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Board members will disclose any conflict of interest (whether in fact or in appearance). When a member of the Board determines that the possibility of a person interest conflict exists, he/she should, prior to the matter being considered, disclose his/her interest in a public meeting (which will be noted in the official meeting minutes). The individual shall abstain from discussing or voting on this matter.
2. Any related party transactions will be disclosed as part of the annual audit.
3. Board members and employees will not accept money or gifts from current or potential vendors of the District if such items are valued in excess of the threshold published annually by the State of Michigan.
4. District employees are prohibited from using District equipment, materials, and supplies for personal benefit.
5. A sample conflict of interest disclosure form is included in the Appendix.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Records Retention

The District has developed various policies and procedures regarding the retention of financial and other grant-related records. Transactions involved Federal awards are subject to all such policies, as applicable:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

N/A

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Record retention policies will be designed to mirror those suggested by the State of Michigan. Periodically, the Business Office will review the most recent information released by the State and determine if the District's practices continue to meet these standards.

Romeo Community Schools Business Office Procedures and Federal Awards Administration Information Technology

Romeo Community Schools identifies the efficiencies and risks that come with the increased reliance on information technology. As such, policies have been adopted to govern the use of information technology:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- N/A

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Staff passwords must be changed periodically, or as otherwise specified by Board policy.
2. The responsibility of assigning user access rights to financial-related applications will be assigned to the Executive Director of Business Services or designee. User rights will be reviewed annually to accurately reflect current employees and job responsibilities.
3. Back-ups of the financial accounting system and the District's network will be taken daily and stored at an off-site location. Not less than 2 times per year, the District's IT manager will test the integrity and usability of this data.

Romeo Community Schools Business Office Procedures and Federal Awards Administration Supplies

Romeo Community Schools utilizes various supplies in its operations. The following procedures will govern the purchase, use, and recording of such items:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6320 - Purchasing
- 6325 - Procurement - Federal Grants/Funds
- 6423 - Use of Purchasing Cards
- 6440 - Cooperative Purchasing

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Purchase - The purchase of supplies will be subject to the same purchasing and procurement requirements as general District expenditures. Refer to the “Purchasing and Procurement” section of this manual.
2. Accounting - Supplies will be recorded as expenditures when purchased. Once per year, in conjunction with the annual audit, department heads will inventory unused supplies. Refer to the section of this manual titled “Year-end Closing and Reporting” for additional information.

Certain supplies on-hand at year-end (such as office supplies) will be deemed immaterial and not inventoried or recorded in the year-end financial statements.

3. SDA-Donated Commodities - The District will maintain accurate and complete records with respect to the receipt, distribution, and inventory of USDA-donated foods, including end products processed from donated foods. These records will be reconciled to the year-end inventory and corrective action will be taken immediately for discrepancies. The District will not sell USDA foods or purchase from a source other than the approved USDA consortia.
4. Controls - It will be the responsibility of the building principals and department heads to determine the appropriate access to supplies, based on cost v. benefit considerations.

Romeo Community Schools Business Office Procedures and Federal Awards Administration Copyrights

All employees, administrators, and students of the District are subject to the provisions of the Copyright Act of 1976. As such, Romeo Community Schools's Board of Education has adopted the following guidelines. These policies are deemed to be applicable to printed materials, internet materials, computer software, audio visual materials, and sheet music.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 2531 - Copyrighted Works

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Unlawful copies of copyrighted materials will not be produced using District-owned equipment, nor will such materials be distributed.
2. Teachers and administrators are responsible for the determination of whether photocopies are legal. The District will not be responsible for any fees imposed on its employees or administrators for misuse of copyrighted materials, nor will legal representation be provided in the event of wrongdoing.
3. The Superintendent or designee will be responsible for communicating copyright guidelines to District employees and students and monitoring compliance with these guidelines.

This policy is deemed applicable to all transactions, including those with Federal funds.

Romeo Community Schools Business Office Procedures and Federal Awards Administration Credit Card Purchases

The District may choose to use credit cards and/or purchasing cards. Gift cards will not be issued, as it is difficult to monitor proper usage.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6423 - Use of Purchasing Cards

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Superintendent or his/her designee shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of District credit cards for Board Members and employees.
2. All credit cards issued to and in the name of District shall be held and supervised by the Superintendent or his/her designee. Credit cards shall remain secured in the Business Office until an approved request is issued for its use.
3. Each request for use of a school credit card shall contain the following:
 - a. Date Needed
 - b. Date to be returned
 - c. Purpose
 - d. Approval of the Superintendent or his/her designee.
 - e. Once a request is approved, the request shall be presented to the Accounts Payable Clerk who will issue the card to the person making the request.
4. After use, school credit cards must be returned directly to the Business Office along with detailed receipts of all charges made.
5. Credit cards may be used only for the purchase of the following:
 - a. Conference or workshop registrations
 - b. Lodging for authorized trips or meetings, or
 - c. Supplies and equipment when prior approval of the Superintendent or his/her designee has been given.
 - d. Other expenses as deemed necessary and approved by the Superintendent or his/her designee.
6. Credit cards may not be used to circumvent the normal purchasing and/or requisitioning process. The credit card is to be returned directly to the Business Office by the person to whom the card was issued by the date specified in the authorization. Documentation indicating the goods or services purchased, the amount(s) of the purchase, date(s) of purchase, and the District business to which each purchase relates must also accompany the card upon its return.
7. The staff member to whom a credit card is issued shall be responsible for its use and shall not allow the card to be used by anyone else or for any unauthorized purchases. Any charges made on the card during the time that the card is in the possession of the employee are the responsibility of that

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Credit Card Purchases

employee. Unauthorized charges must be paid by the person to whom the card is assigned, and such unauthorized use shall subject the card holder to disciplinary action in accordance with law, District policy, and/or the terms of a negotiated agreement.

8. The person to whom a credit card is issued is responsible for the protection and custody of the card. If a District card is lost or stolen, the person to whom the card was issued shall immediately notify the Business Office Supervisor. The Business Office will notify the issuing company to cancel the card if necessary.
9. The Business Office shall reconcile the credit card statements to the invoices relating to credit card transactions. Any charges appearing on statement that are missing invoices or other documentation will be investigated by the Business Office staff. The Business Office staff must notify the Department Manager and/or the credit card issuing company of any suspected fraudulent transactions appearing on the statement. Credit card balances must be paid within sixty (60) days of the initial statement date.

Romeo Community Schools Business Office Procedures and Federal Awards Administration Training and Sanctions

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - Grant Funds

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

Training

1. The District will provide training to all staff involved in federal grant administration through the following activities, such as:
 - a. Orientation of new staff
 - b. Distribution of federal laws, regulations and guidance
 - c. Distribution of District policies and procedures
 - d. Developing templates, checklists and other guidance documents as appropriate
 - e. Internal training sessions
 - f. Routine staff meetings
 - g. Informal technical assistance
2. The Business Office staff will meet with District staff as necessary to ensure that these procedures are followed. These meetings may occur either on an individual basis or in a group setting.

Employee Accountability and Sanctions

3. Failure to follow the provisions of these procedures will subject the individuals responsible for the violation(s) to administrative and/or disciplinary actions in accordance with District disciplinary procedures and the judgment of management. Sanctions may include comments on employee evaluations, suspension and/ or dismissal.

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Travel

Source of Governing Requirements. Lodging and subsistence costs incurred by employees for travel will comply with the non-Federal entities written travel policies (§ 200.474(b0)),

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6550 - Travel Payment & Reimbursement

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Travel must receive pre-approval for conferences and meetings outside of the county.
2. Superintendent or Designee must sign off on conference forms.
3. Reimbursements will follow district guidelines.

Romeo Community Schools
 Business Office Procedures and Federal Awards Administration
 Appendix
 Personnel Activity Report
 Can be used in conjunction with Internal Controls.
 NOT REQUIRED

Federally Funded Time and Effort Report (Personnel Activity Report - PAR)

Name of Employee: Jane Doe	Beginning Date: 8/1/2016	School Year 16-17
	Ending Date: 8/28/2016	

Enter data in the highlighted cells only

Activity/Program	8/1/2016	8/7/2016	8/8/2016	8/14/2016	8/15/2016	8/21/2016	8/22/2016	8/28/2016	Total Hours	Percent of Each Activity
	Time	Percent	Time	Percent	Time	Percent	Time	Percent		
Federal Funded Program	60.00	75.00%	80.00	100.00%	35.00	43.75%	20.69	25.86%	195.69	61.15%
Non Federal Funded Program	20.00	25.00%	0.00	0.00%	45.00	56.25%	59.31	74.14%	124.31	38.85%
									0	
									0	
Total hours distributed	80	100.00%	80	100.00%	80	100.00%	80	100.00%	320	100.00%

Hours					
Worked Hours Federal Program	60	60	35	15	170
Worked Hours Non Federal Program	20		45	43	108
Holiday Leave Hours	16	16		7	23
Non-Holiday Leave Hours	4	4		15	19
Grand Total All Hours Paid	80	80	80	80	320

Total hours distributed should equal total hours paid each period

I hereby certify that the information contained in the Time and Effort Report accurately reflects 100% of my actual time and effort distribution for the pay periods reported.

Employee Signature: _____

Supervisor Signature: _____

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Appendix
Semi-Annual Certification
Can be used in conjunction with Internal Controls.
NOT REQUIRED

Federal Program Payroll Certification

Federal Program:

Employee Name:

Year/Semester:

As a Romeo Community Schools employee, I have performed services for the above noted federal program as a _____ (position or function) at _____ (location(s)). I have spent 100% of my time in the performance of these services for the period noted above. I understand that this certification is required by Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments and that misrepresentation of facts is a violation of Federal Law.

Signed:

Employee _____

Date _____

Approved:

Principal _____

Date _____

Regulatory Requirement:

OMB Circular A-87, attachment B and the Michigan School Audit Manual require a completed Certification for employees expected to work solely on a single federal award or cost objective. The certifications should be prepared at least semi annually and be signed by the employee and or the supervisory official having first hand knowledge of the work performed. It is (School District) practice to have these forms signed by both individuals whenever possible. This certification must be supported by the current records of the employee. Such records for both fully and partially funded positions include, but are not limited to, lesson plans, time sheets, written schedules, staff logs, or other evidence of contemporaneous service performance signed by the employee the supports the actual time allocation.

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Business Office Procedures and Federal Awards Administration
Appendix
Certification Regarding Suspension and Debarment

*Also search vendor on SAM.GOV

By signing below, I agree that my company/organization or any of its principals, personnel, division or affiliates presently or in the past have not been debarred or suspended from entering into contracts with any federal, state or local governmental entity.

The company/organization has not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under public transaction; violation of Federal or State anti-trust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

The company/organization is not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local).

The company/organization has not had one or more public transactions (Federal, State or local) terminated for cause or default.

The certifications made in this statement are deemed to be valid as long as the company/organization continues to conduct business transactions with Romeo Community Schools unless notification is made in writing to the District. The company/organization will notify the District immediately if any of the certifications made in this statement become invalid.

Company/Organization Name: _____

Certification Made by (Name and Title): _____

Date: _____

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Appendix
Conflict of Interest Disclosure Form

Employees in a position to influence decisions on purchase or contracts for Romeo Community Schools (the "District") shall not have a personal financial interest either directly or indirectly in any contract or purchase of the District or benefit directly or indirectly from any financial transaction or contract of the District unless that interest has been fully disclosed and the person involved has removed him/herself from the decision-making process.

Purchases of or use of Agency property, materials and manpower by employees shall be accomplished in accordance with good business practices and within the framework of applicable laws and regulations.

The Superintendent, and any other District employee deemed by the Superintendent to be in a position to influence the purchase of any goods or services, shall sign and file the following information.

For purposes of this document, the following definitions are used:

AGENCY: Romeo Community Schools

SUPPLIER: any person, partnership, trust, corporation, or other business entity that supplies materials, equipment, real estate or services to the District.

FINANCIAL INTEREST: means any stock, bond or other debt, obligation, option or right to purchase stock, share in profits, investment, partnership interest or other interest of any nature. Ownership in securities in a corporation shall not be considered to constitute a financial interest for this purpose if all the following conditions are met:

- a. The securities are traded on a national securities exchange or regularly reported in over-the-counter quotations in the financial press
- b. The securities owned by you and to your knowledge or belief, owned by your near relatives don't exceed 1% of the outstanding securities of such corporation of the same class, and
- c. The market value of the securities of such corporation so owned does not exceed 50% of your gross annual income.

FAMILY MEMBER: means your spouse, children, spouse(s) of your children; parent(s)/guardian(s); sisters and brothers of yourself and your spouse; and the spouse(s) of your brothers and sisters, and the nieces and nephews of you and your spouse. All relationships include those created by adoption or marriage. It is not necessary to interrogate the members of your family. It is sufficient to give the facts, as you know them or believe them to be.

We require complete honesty and candor of all employees asked to submit this form subject to penalties under Sec. 2 or Public Act 317.

Should you have inadvertently omitted a company in your statement and later there is a transaction involving that company come before the Board, you have a clear obligation to make that interest known. If after this statement is signed you acquire an interest in a company doing business with the District, that interest should be made public as soon as practical. Failure to disclose this may subject you to disciplinary action up to and including dismissal.

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Business Office Procedures and Federal Awards Administration
Appendix
Conflict of Interest Disclosure Form (Concluded)

a. At any time since January 1, _____, have you, or to your knowledge and belief has any family member or member of your household, had any direct or indirect financial interest in any supplier of good and/or services to Agency?

Yes _____ Provide details

No _____

b. At any time since January 1, _____, have you been a Director, officer, sole proprietor, partner, agent, representative, employee or paid consultant or received any fee or commission from any business enterprise doing business with Agency?

Yes _____ Provide details

No _____

Please sign and date below:

I declare that to the best of my knowledge and belief, the answers I have given and any statements attached are true and correct.

Signature

Printed Full Name

Date

Romeo Community Schools
Business Office Procedures and Federal Awards Administration
Appendix
Receipt Exception Form

It is the policy of Romeo Community Schools (the “District”) to require employees to submit receipts for all expenses (excluding mileage) being claimed for reimbursement. If an employee is unable to provide a receipt for a claimed reimbursement, the following form should be attached to the expense report in lieu of the receipt, please see the attached link or the form on the following page.

https://romeok12.org/downloads/business_services/missing_receipt_form.pdf

Romeo Community Schools
 Business Office Procedures and Federal Awards Administration
 Appendix
 2 CFR 200 Subpart E: Cost Principles - Selected Items of Cost

This table is for reference purposes only and is not exhaustive of all changes or requirements; therefore, grantees are encouraged to consult the full text of the regulations in 2 CFR 200.

Reference	Title	Noteworthy Additions, Changes, or Clarifications
200.425	Audit services.	Costs associated with audits not conducted in accordance with Single Audit requirements and audits that fall below the Single Audit threshold are unallowable. Under the cost principles, those costs were allowable if included in the indirect cost rate or approved by awarding agency as a direct cost. Financial statement audit and agreed upon procedures
200.428	Collections of improper payments.	New - The costs incurred by a non-Federal entity to recover improper payments are allowable as either direct or indirect costs, as appropriate.
200.430	Compensation - personal services.	Charges for employee compensation must be based on records accurately reflecting work performed; however, no specific types of documentation (e.g., personnel activity reports) are required. Documentation standards that grantees must meet are listed. Substitute systems, if approved by cognizant Federal agency, are allowed State, local, and tribal government.
200.432	Conferences.	Requires conference hosts/sponsors to ensure that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award. The costs of identifying, but not providing, locally available dependent-care resources are allowable.
200.433	Contingency provisions.	Allowable in limited circumstances, with appropriate methodology used to create estimates, and must be consistent with the cost principles and other requirements in this Part (see also Standards for Financial and Program Management of Subpart D and section 200.403 Factors Affecting Allowability of Costs); be necessary and reasonable for proper and efficient accomplishment of project or program objectives, and be verifiable from the non-Federal entity's records.
200.435	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements.	Language streamlined for consistency and now specifically references Whistleblower Protection Act.
200.436	Depreciation.	Change to GAAP standards. Donated assets valued at time of donation and may be depreciated or claimed as matching but not both. Eliminates the use allowance method of recovering costs associated with recovering building costs.

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 Business Office Procedures and Federal Awards Administration
 Appendix
 2 CFR 200 Subpart E: Cost Principles - Selected Items of Cost (Continued)

Reference	Title	Noteworthy Additions, Changes, or Clarifications
200.437	Employee health and welfare costs.	Employee morale costs are unallowable. Costs incurred in accordance with the non-Federal entity's documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable, but must be equitably distributed to all activities of the non-Federal entity.
200.438	Entertainment costs.	Unallowable unless costs have a programmatic purpose and are authorized in the approved budget for the Federal award or costs have prior written approval from the Federal awarding agency.
200.441	Fines, penalties, damages, and other settlements.	Added Tribal law violations. Now states that "alleged violations" and not just "violations" are unallowable except when they result directly from complying with the terms of a Federal award or are approved in advance by the Federal awarding agency.
200.449	Interest.	Establishes the date of January 1, 2016, as the date that non-Federal entities whose fiscal year starts on or thereafter may be reimbursed for financing costs associated with patents and computer software.
200.453	Materials and supplies costs, including costs of computing devices.	Changes/additions to definitions
200.455	Organization costs.	Unallowable to all organizations unless specific approval by the awarding Federal agency.
200.456	Participant support costs.	Defined and allowable with prior approval. The treatment of participant support costs is in the definition of modified total direct costs and in the appendices on indirect costs rates, Appendix IV to Part 200.
200.460	Proposal costs.	Changed the language that allowed for other than indirect treatment of these costs, though rule remains that these costs should normally be treated as indirect. Proposal costs of past accounting periods will be allocable to the current period.
200.461	Publication and printing costs.	Resolves a long-standing issue with charges necessary to publish research results, which typically occur after expiration, but are otherwise allowable costs of an award.
200.463	Recruiting costs.	Clarifies that special emoluments, fringe benefits, and salary allowances that do not meet the test of reasonableness or do not conform to the established practices of the entity are unallowable. Specifically addresses allowability of short-term travel visa costs.

Romeo Community Schools
 Business Office Procedures and Federal Awards Administration
 Appendix
 2 CFR 200 Subpart E: Cost Principles - Selected Items of Cost (Concluded)

Reference	Title	Noteworthy Additions, Changes, or Clarifications
200.464	Relocation costs of employees.	Repayment of funds is required if employee resigns for reasons within the employee's control within 12 months after hire date.
200.465	Rental costs of real property and equipment.	Includes "sale and lease back" and "less-than-arm's-length" restrictions and home office space.
200.469	Student activity costs.	Costs incurred for intramural activities, student publications, student clubs, and other student activities are unallowable unless specifically provided for in the Federal award.
200.474	Travel costs.	Provides that temporary dependent care costs that result directly from travel to conferences and meet specified standards are allowable.