
Federal Funds Management and Procurement Policy 2-302a

Scope:

The Governing Board recognizes that federal funds received by the District must be managed in accordance with applicable federal laws and regulations, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

1. Generally

The Board shall ensure that all federal funds are expended and accounted for in a manner that:

- Maintains effective financial management systems capable of identifying, tracking, and reporting expenditures by federal program and award;
- Ensures that all expenditures are allowable, properly documented, and consistent with the terms and conditions of the applicable federal award;
- Establishes effective internal controls that provide reasonable assurance that federal funds are used in compliance with federal requirements;
- Requires procurement practices that promote full and open competition,
- Prevents conflicts of interest, and ensure that contracts are awarded and administered in accordance with applicable laws; and
- Requires accountability for all funds, property, and assets acquired with federal funds.

Purpose

To establish requirements for the management and expenditure of federal funds, including financial accountability, internal controls, and procurement practices consistent with federal law.

Administrative Regulations

The Superintendent or designee shall establish and maintain procedures to ensure that federal funds are budgeted, obligated, expended, and accounted for in accordance with applicable law, the terms and conditions of each federal award, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200.

1. **Assignment of Responsibility.** The Superintendent or designee shall identify the administrator responsible for each federal program and shall assign business, fiscal, purchasing, and program staff responsibilities necessary to ensure compliance with grant requirements, timelines, reporting obligations, and closeout requirements.
2. **Financial Management and Internal Controls.** The District shall maintain financial management systems and effective internal controls sufficient to provide reasonable assurance that federal funds are used only for authorized purposes. Such controls shall include segregation of duties to the extent practicable, appropriate approval authority, budget-to-actual monitoring, reconciliation of accounts, and review of supporting documentation.
3. **Allowability of Costs.** Before charging expenditures to a federal award, the District shall determine that each cost is necessary, reasonable, allocable to the award, adequately documented, and permitted by law and the terms of the award. The District shall maintain written procedures addressing cash management, allowability of costs, procurement, travel, credit card use if applicable, and reimbursement requests.
4. **Procurement Procedures.** Procurements using federal funds shall be conducted in a manner providing for full and open competition consistent with applicable state law and 2 CFR 200.317 through 200.327. The District shall use documented procurement procedures, perform and document cost or price analysis when required, maintain oversight to ensure contractor performance, and avoid acquisition of unnecessary or duplicative items.
5. **Conflict of Interest and Standards of Conduct.** No Board member, employee, officer, or agent of the District who has a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by federal funds. The District's standards of conduct shall prohibit the solicitation or acceptance of gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, except as permitted under District standards for unsolicited items of nominal value.

6. **Suspension and Debarment.** Before entering into a covered transaction, the District shall verify, as required by law, that the contractor or vendor is not suspended or debarred from participation in federally funded transactions and shall retain documentation of the verification.
7. **Required Contract Provisions.** Contracts funded in whole or in part with federal funds shall contain all clauses required by applicable federal law, including, when applicable, the contract provisions required by Appendix II to 2 CFR Part 200.
8. **Property and Equipment Management.** The District shall maintain records for equipment and other property acquired with federal funds, including description, serial number or other identification number, source of funding, title holder, acquisition date, cost, percentage of federal participation, location, use and condition, and disposition data as required by law. A physical inventory shall be conducted and reconciled to property records at least once every two years, or more frequently if required by the applicable award.
9. **Records Retention.** Financial records, supporting documents, statistical records, and all other records pertinent to a federal award shall be retained for the period required by law and the terms of the award, and longer when audit findings, claims, or litigation remain unresolved.
10. **Audit, Reporting, and Corrective Action.** The Superintendent or designee shall ensure timely completion of all required reports, cooperate with audits and monitoring reviews, and promptly implement corrective actions in response to audit findings, monitoring determinations, or identified compliance deficiencies.

In the event of a conflict, the more specific federal requirement applicable to the award shall control to the extent required by law.