

Standing Rock Community School Financial Policies & Procedures

The Standing Rock Community School is a K-12 Education Program under the authorization of the Standing Rock Sioux Tribal Resolution 131-94 and operates under Public Law 100-297 for Federal Grantees.

In accordance with Government Auditing Standards, the Standing Rock Community School holds an annual audit which follow the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Approved by the SRCS School Board 07.06.10

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Accounts Payable and Purchasing

Policy Objectives

- A. To Control expenditures by obtaining the lowest cost (with satisfactory quality) and keeping expenditures within budget amounts.
- B. To include control elements necessary to properly account for purchasing transactions and safeguard SRCS assets.

Specific Policy Statements

1. All purchases shall be made only after approval of a Purchase Requisition. Any purchase made without an approved purchase requisition shall not be paid and shall become the responsibility of the person ordering. All orders received without a Purchase Requisition shall be returned by the Inventory Technician to the vendor.
2. The sequential order for signatures is as follows: 1.Requisitioner 2. Administrator/Program Supervisor 3. Financial Office Designate 4. Superintendent

Exceptions:

- a. **Vendors** – In the event a vendor does not accept Purchase Orders, the Superintendent shall approve procurement via a bank check as long as an approved Purchase Requisition Form is properly approved by the appropriate parties. The Purchase Requisition Form must be notated that a bank check is requested. The purchaser and the immediate supervisor is responsible to submit the proper receipts to the Finance Office.
- b. **Credit Card** –All credit card holders shall be approved by the school board in order to be issued a credit card. The Finance Office shall keep 3 credit cards on file to be checked out for travel or emergency purchases. Any use of the card shall be pre-approved, with a Credit Card Check-Out Form by the immediate supervisor and the Finance Office Designate. The purchaser is responsible to submit the proper receipts when returning and credit card to the Finance Office. Any missing receipt(s) shall be deducted from payroll.

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3. The Finance Office shall prepare purchase orders **every Monday or on the following Tuesday if Monday falls on a holiday or the Accounts Payable Technician is unavailable.**
 - a. The employee shall complete requisitions in full. This includes vendor, vendor's full address, vendor phone number, fax number and cost, tax, freight, and written justification of purchase(s).
 - b. The immediate supervisor shall approve all requisitions within their department and check for accuracy and proof of funds availability. Requisitions shall be within budgeted amounts and meet program goals/objectives according to school wide plan for approval.
 - c. The Supervisor shall specify on the requisition which Program and Object Code shall be charged with the Finance Office Designate and Superintendent's approval.
 - d. All requisitions shall have authorized signatures and be in the Finance Office **by 10:00 am on Mondays for purchase order requests and by 10:00 am on Mondays and Thursdays for check requests. Check requests shall be processed on Mondays and Thursdays of every week unless otherwise designated by the Chief Finance Officer.** Checks shall be distributed to departments for distribution after 4:00 p.m. or the next day.
 - e. All requisitions require the approval of the Finance Office Designate, the authorized designee, to ensure budget and program compliance.
4. Purchases that exceed the budget shall not be allowed.
5. All Purchase Orders over **\$5,000** shall require prior approval of the Standing Rock Community School Board before processing which shall occur at the following special school board meeting or the regular school board meeting held on the first Tuesday of the month.
6. All Purchase orders under \$1000 shall have the approval of the authorized designee, to ensure budget and accounting code accuracy.

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7. All vendor invoices shall be sent directly to the Finance Office for payment. Invoices shall be submitted within 30 days of completion. Invoices over 30 days shall require a letter of explanation for delay of payment.
8. No invoice shall be paid without adequate proof of receipt of performance. After payment, invoices shall be properly stamped and filed to prevent duplicate payment.
9. Invoices received shall be verified, attached to Purchase Order and properly filed by the Finance Office.
10. All items with the value of \$100 or more, or multiple items of significant value, shall be tagged and recorded on the inventory control sheet by the Inventory Technician. Any item recorded with the value of \$5,000 or less shall be recorded as a zero (0.00) value.
11. Notwithstanding a prior approved budget, Consulting and all contract services, of any amount shall require the approval of the Standing Rock Community School Board prior to the services being rendered. Consulting services shall require a completed consulting agreement which includes all required signatures, specified dollar amounts, time frames, and all required payroll forms. Consulting and professional services contracts shall not be subject to the Procurement Policy and these services shall be obtained through the advertisement process and subject to negotiation by the School Board. All services must be completed according to consultant agreement and/or contract agreements. Payment shall be made to Consultant or contractor as required in consultant/contract agreement or when services are completed. All consultants, coaches and referees shall have a W-9 on file before a check is issued.
12. All credit applications and open accounts with vendors must be turned in to the Finance Office for review and approval by the Standing Rock Community School Board.
13. All Purchase Requisitions shall be typed. Handwritten Purchase Requisitions will not be accepted.
14. To close out the school year, all purchasing/invoicing shall be completed before June 15th of each year.

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Accounts Receivable and Receipting

Policy Objectives

- A. To provide for timely and accurate collection and deposit of all funds received by the school.
- B. To use sound cash management practices for the investment of school funds to yield safe and accurate return.
- C. To include control elements necessary to properly account for and safeguard the cash of the school.

Specific Policy Statements

- 1. Subsidiary accounts of Accounts Receivable shall be maintained and reconciled monthly with the General Ledger.
- 2. All monies received by the school shall be immediately turned into the Finance Office to be deposited into the appropriate bank account.
- 3. All monies received by the Finance Office shall be stored in a locked safe with access only allowed to the Office Manager, Chief Finance Officer and Superintendent.
- 4. A numerically controlled (pre-numbered) receipt shall be issued for all monies received by the Finance Office. The receipt shall be reconciled to the actual amount of cash deposited with the bank on a monthly bank statement by the assigned staff member of the Finance Office.
- 5. All monies put in the safe shall be deposited in the bank by the Finance Office on a weekly basis.
- 6. The Finance Office Designate or assigned staff member shall review all bank deposits before being sent to the bank.

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Budgets and Budgetary Accounting

Policy Objectives

- A. The School shall follow all school policy and procedures in establishing the budgetary data reflected in the financial statements.

Specific Policy Statements

1. A budget meeting shall be held in the spring or early summer every year with the Board and Administrative Staff to review, revise, and approve an annual budget with projected revenue for program operations. This budget is based on final budgets from the previous year as directed by BIE.
2. The Board shall approve a final budget when final awards are made available for draw down by the funding agencies and all award letters are received.
3. The Superintendent and Finance Office Designate and/or Building Administrators shall advise the Board of the need for any changes in the overall annual budget on a quarterly basis. In-house modifications within each department budget line items shall be done by the Finance Office Designate and the Superintendent and/or Building Administrators with the approval of the School Board. The Finance Office Designate shall report on a needs basis of any in-house modifications needed within each department budget line item.
4. Department expenses shall be maintained by program managers and/or Building Administrators designated by the Superintendent and shall have access to Software Unlimited to track all expenses for budget accountability.
5. The School Board, Superintendent, Program Managers and/or Building Administrator recognizes a school establishes plan to consistently imply that an annual mid-year Incentive Plan is allowable based on availability of funding each year to all full-time employees.

Incentive Criteria is defined as awards for employer retention to the employees at the SRCS. Then retention of Certified and Non-Certified employees are under guidance of the Indian Child Protection and

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Family Violence Prevention Act Public Law 101-630 and The Drug Free Workplace Act and Drug Free School and Community Act of 1989 (P.L. 101-226). All institutions who received any grant/contracts from the federal government shall comply with the provisions of the Acts. These positions are considered hard-to-fill with the violence and drug epidemic that plagued Indian Country.

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Cash Disbursements

Policy Objectives

- A. To provide accurate and timely issuance of checks (based on sound cash management practices) for valid and authorized expenditures.
- B. To make the cash disbursement function more efficient for the Finance Office. The Finance Office has the ultimate responsibility to ensure that all cash disbursements are in the best interest of the school and comply with school policy and funding regulations.
- C. To include control elements necessary to properly safeguard the cash of SRCS.

Specific Policy Statements

- 1. All disbursements must be made by check.
- 2. Checks shall not be written prior to receiving approved written documentation of purchase or expenditures which includes Invoices; Travel Authorizations; Expense Reports and Purchase Requisitions.
- 3. Checks shall not be processed unless the expenditure is in compliance with the Accounts Payable and Purchasing Policies.
- 4. Invoices not supported by the required approved purchase requisition or purchase order shall not be paid and be returned.
- 5. The Superintendent or School Board members must sign all checks.

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6. Payment shall be made for specific invoices only. Payment of a monthly statement shall be prohibited.
7. All manual checks shall be issued on Monday and Thursday only. All manual check requests shall be turned into the Finance Office no later than 10:00 am Monday and Thursday morning for a check to be issued that day. Any manual check requests turned in after 10:00 am shall be issued the following check run day unless otherwise approved by the Superintendent or Finance Office. This schedule is subject to change if approved by the Superintendent or Finance Office based on need.
8. All cash returned and receipts received for a purchase order or a manual check for supplies must be returned to the Finance Office within three (3) days from the date of the check.

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Investment Objectives, Policies And Guidelines

I. PURPOSE

The purpose of the policy statement is to:

1. Assist the Board of Standing Rock Community School in effectively monitoring and evaluating the investment portfolio.
2. Provide direction and guidance to the administration of Standing Rock Community School and the investment advisor.

II. GENERAL POLICY STATEMENT

Standing Rock Community School manages a diversity of investment fund groups. Each fund group is unique and has specific constraints it shall operate within. These constraints determine the type of investments allowable and the use of these funds. The intent of the Board, by establishing and monitoring these policies, is to ensure the investment of these funds meets all established Federal Guidelines and the amount of return on investment is maximized within the constraints of the guidelines established for each fund group.

The Board has the responsibility for policy development and review. They are primarily responsible for the funds and its objectives. Administration has the responsibility to operate within the constraints established by the Board, in relation to day-to-day activities within the investment funds. All investments shall be approved by the Standing Rock Community School Board with the exception of short term investments. The Finance Office Designate is authorized to invest funds up to 180 days in Investment instruments authorized by the approved investment policies.

III. AUTHORIZATION

Tribally Controlled School Grants became authorized through the passage of P.L. 100-297.

SEC.520.208. PAYMENT OF GRANTS: INVESTMENTS OF FUNDS.

(b) INVESTMENTS OF FUNDS-

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1. Notwithstanding any other provisions of law, any interest or investment income that accrues on any funds provided under this part after such funds are paid to the tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the tribal organization and shall not be taken into account by any officer or employee assistance, or the amount of assistance, under any provision of Federal law.

IV. GENERAL OBJECTIVES OF INVESTMENTS

1. To achieve as high a level of current income as is consistent with the preservation of capital, while providing liquidity to meet operating needs of Standing Rock Community School.
2. To achieve a high level of current income consistent with established Federal guidelines.
3. To achieve interest yields that out perform the inflation rate.
4. To achieve the highest available interest yields regardless of term.
5. All investments shall be held until maturity, unless authorized by the Board.
6. All interest realized shall be used for operating and development needs of Standing Rock Community School only.
7. Investments of funds for Mortgage backed Securities, FNMA's and GNMA's shall only be authorized for investments of unobligated funds.

V. PROHIBITED INVESTMENTS

1. The portfolio shall not deal in the options, short sales, commodities or margin transactions.
2. No private placements shall be in the portfolio.
3. No equity holding in the portfolio may exceed 5% of the outstanding voting shares of the issuing corporation without approval of the Board.

VI. REVIEW AND REVISION POLICIES

A report on the investments performances for all funds shall be made annually to the Board on a calendar year basis. The policies shall be reviewed at this time and changes will be documented and implemented.

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Definition Of Investment Terms For Standing Rock Community School

Certificate of Deposit (CD): A money market instrument issued by banks. The CD is characterized by its set date of maturity and interest rate and its wide acceptance among investors, companies, and institution as a very liquid short-term investment vehicle. Interest rate stated on CD is based on one year time period.

Bond: Basically an IOU or promissory note of a corporation, municipality, or the US Government. They are usually issued in multiples of \$1,000.00 or \$5,000.00. A bond is evidence of a debt on which the issuer promises to pay the bondholder a specified amount of interest for a specified length of time and to repay the loan on the expiration date. As with CD's interest rate is based on annual rate.

Bond Fund: A professionally managed portfolio of bonds. Bonds in the portfolio can range from corporate bonds, foreign bonds to US Government bonds. Participation in the portfolio is sold to investors in the form of shares. Redemption of these shares is available to investors on demand at current net asset value. All owners of the fund share in the income from the portfolio of bonds.

Agency Bond: These bonds are issued to provide funding for agencies of the government. Each agency has a particular purpose to help certain important sectors of the economy. These bonds carry the implicit guarantee of the US Government. Examples of government-sponsored agencies are:

- A. Federal Home Loan Banks (FHLB)-the 12 Federal Home Loan Banks helps to provide liquidity for savings and loan institutions which shall need extra funds to meet seasonal demands of money.
- B. Federal Home Loan Mortgage Corporation (FHLMC)-Used to provide liquidity to federally insured savings institutions needing extra funds to finance new housing.
- C. Federal National Mortgage Association-Raises money to buy insured Federal Housing Administration (FHA), Veteran's Administration (VA) and conventional residential mortgages from lenders such as banks and savings and loans association.

Mortgage Backed Securities-The creation of a mortgage backed security begins with a mortgage loan extended by a financial institution to finance a borrower's home or other real estate. To obtain funds to make loans, mortgage lenders will "pool" groups of loans

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to create securities. Mortgage backed securities represent a direct ownership interest in a pool of mortgage loans. Investors in these securities receive monthly payments of interest and principal as these mortgages are paid off. The most popular type of mortgage back securities is issued by: The Government National Mortgage Association (GNMA)- Part of the Department of Housing and Urban Development. Its purpose is to provide financing for residential housing. GNMA is backed by the US Government. GNMA guarantees monthly payments to the owner of the certificates even if it has not been collected from the homeowner. The mortgages in the pool have a maturity of 25 to 30 years. However, due to prepayments, foreclosures, and refinancing, the average life is significantly less.

Summary

<u>Investments</u>	<u>Advantages</u>	<u>Disadvantages</u>
CD	No risk to principal Various Maturity dates	Penalty of early withdrawal Lower Rates
Agency Bond	No risk to principal Various maturity dates Higher yield than CD's Liquidity in secondary	Higher minimum Fewer available in short-term maturities Subject to market Value if sold
Bond Fund	Professional Managed Higher liquidity Higher yield Reinvestment options	Subject to value if sold early Higher minimum possible
Mortgage Backed Securities	Monthly income US Government backed Higher yield than Treasuries	Possible early return of principal due to prepayment with interest payments

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Payroll

Policy Objectives

1. To include all elements necessary to accumulate and maintain Personnel information, to properly control leave payments and accumulated employees worked, calculate pay amounts and withholdings, accurately prepare and distribute payroll checks and withholding deposits on a timely basis. Prepare reports that are necessary for external and internal reporting purposes.
2. To include control elements necessary to properly account for payroll transactions and safeguard School assets.

Specific Policy Statements

1. All payroll disbursements shall be made by check or direct deposit.
2. A contract shall be prepared and signed by the School Board Chairperson and the School Superintendent for all new hires and returning employees. The contract shall include salary amount, title, the effective date of employment, and length of employment.
3. All employees shall follow the School's Policies and Procedures.
4. All new employees must complete and submit a W-4 Form (Employee's Withholding Allowance Certificate) and I-9 Form (Immigration and Naturalization) to the Human Resource Office by the first working day. Two (2) forms of ID are required for I-9 Form documentation.
5. All new employees must complete all necessary insurance and benefit forms. These forms are available at the Human Resource Office.
6. Supervisors shall be responsible for validating their employee's time and attendance.
7. The 182 and 185 day contracts shall choose to have their pay prorated for 21 or 26 pay periods per year. Once selected the employee shall not be allowed to change until a new contract year. The pay periods shall end on alternating Fridays and follow the Payroll Schedule. Payroll checks shall only be available for staff on the respective pay date. End of the year contract payouts are not allowed unless the employee has terminated employment with the Standing Rock Community School.

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8. Any change in employee status or any payroll changes shall be submitted on a "Payroll Change Form" available at the Human Resource or Payroll Office. These forms shall be submitted to the Payroll Office prior to payroll transmission.
9. Payroll checks shall be issued on the Friday following the end of the pay period only. No checks shall be issued if timesheets are not turned in or approved.
10. Salary advances are not allowable at the Standing Rock Community School. There shall be no early release of payroll checks unless requested in writing by the employee and authorized by the Superintendent or Finance Office Designate.
11. Payroll checks shall be released to third parties only if a signed authorization or telephone call is received from the employee.
12. Completed time sheets for all employees shall be approved and signed by their supervisors and submitted to the Finance Office by 10:00 a.m. on the Monday following the end of each pay period.
13. All approved leave slips shall be signed by the supervisor, submitted and attached to timesheets otherwise the leave time shall be considered leave without pay.
14. For the purpose of tracking leave benefits, timekeepers shall be responsible for employee leave balances.
15. Handwritten timesheets shall not be allowed. All staff shall utilize the approved template. All timesheets shall have all required signatures or they shall be returned to the timekeepers.
16. The Opt-Out for Medical Coverage is \$2,000.00. Half shall be paid out on the last payroll in October and the remaining will be the first payroll in January. The \$2,000.00 shall be pro-rated depending on remaining months in a new employees' contract. If the employee terminates before the end of the contract, the balance shall be deducted from the contract closeout.

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17. All Extra-Curricular and Extra Duty Contracts shall be paid out in the next pay period and payroll cycle that's available. Extra-curricular contracts, overtime, chaperone pay, or any other salary payment shall be paid during the regular payroll cycle and shall not be allowed to be processed through the manual check process unless approved by the Superintendent or Chief Finance Officer. All timesheets for Extra-Duty pay shall be submitted with in two pay periods of the actual work performed.
18. All extra duty and overtime must be pre-approved by immediate supervisor and have the required signatures before submitting to payroll for processing and have the funds identified or they shall be returned.
19. All payroll deductions must be approved by the Standing Rock Community School Board unless required by Federal law or Tribal Court garnishments. Payroll deductions required by Federal law or Tribal Court garnishments shall be automatically processed by the payroll department with the approval of the Finance Office Designate.
20. Benefits and leave shall be in accordance with the School's Policies and Procedures.
21. A \$25.00 cost shall be charged to the employee for charges that Starion charges the School on a stop payment request on every lost/misplaced payroll check for the employee. The \$25.00 cost shall be assessed and deducted from the next payroll check.
22. A \$25.00 cost shall be charged to the employee for charges that Starion charges to the School for a direct deposit reversal due to an employee's account being closed without notifying payroll. The \$25.00 cost shall be assessed and deducted from the next payroll check.
23. Administrators shall not be eligible for extra-duty contracts or incentives with the exception of Christmas incentives.

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Extra Duty Pay

All Extra Duty Pay shall be classified as one of the following:

1. *Professional Extra Duty Pay (PEDP)* shall be paid at the employee's contracted hourly amount. PEDP is for performing work that would fall in the realm of an employee's normal contracted duties. PEDP shall only be paid to Certified Teaching staff. No mileage will be paid. (See A).
 - A. All Parent Events included in Certified Contract are exempt from payment.
2. *Activity Extra Duty Pay (AEDP)* shall be paid for any extra-curricular activity outside of an employee's regular contracted duties and shall be compensated at a rate of \$15.00 per hour or \$120.00 per day. No mileage will be paid (See A).

All Professional Extra Duty Pay and Activity Pay shall meet the following criteria:

- A. All work shall be done on the SRCS Campus
- B. All timesheets for Extra-Duty pay shall be submitted with in two pay periods of the actual work performed.

Extra-Duty Contracts

All Extra-Duty Contracts shall have a routing form approved before submission to school board. No Amendments to be allowed. Extra-Duty Contracts shall be classified as one of the following:

1. *Professional Extra Duty Contracts* are contracts for Certified Teachers and are paid under the same provisions of Extra-Duty Pay.
 - A. All work shall be paid as approved in contract.
 - B. All work shall be done before or after the employee's normal contracted hours or outside the contract year.
 - C. All Professional Extra-Duty Contracts shall be approved by, and in the following order; Program Supervisor; Principal; Financial

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Office Designate; Superintendent; School Board.

- D. Every Professional Extra-Duty Contract shall have a maximum contract amount and shall indicate the duration of the contract.
 - E. Professional Extra-Duty Contracts are limited to two contract per employee at any one time period per contract per Year. This does not apply to coaching contracts and summer school contracts.
2. *Coaching Extra Duty Contracts* are contracts that do not follow the same provisions of the Professional Extra Duty Contracts.
- A. Lump sum contracts are allowable.
 - B. All Coaching Contracts shall be approved by the following order: Athletic Director or Assistant Athletic Director; Principal; CFO; Superintendent; the SRCS School Board.
 - C. Employees are limited to two (2) one fall and one spring Coaching Extra Duty Contracts that they shall hold at any given time.
 - D. All varsity athletic coaches shall have to pay any fines assessed by the NDHSAA for not completing Online Coaches Rules Testing or not submitting team information on time as required by the NDHSAA. The fines shall be deducted from contract amounts.
 - E. Clearance Forms shall be completed before payment is made.
 - F. All Athletic/Activity coaching contracts will be issued a paper check to hold until cleared from duties.

Substitute Teacher Pay

All certified Substitute Teacher's pay shall be paid out at \$ 226.72 per day or \$28.34 per hour. Only Certified Teachers shall be compensated to substitute in a classroom.

Professional Development

Professional Development Stipends are for actual Professional Development received on

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non-contract days and shall be paid at \$150.00 per day for a full day or \$18.75 per hour. Professional Development Stipends shall only be paid after expense reports including a certification of the Professional Development are turned in. Stipends shall not be paid for travel days.

Chaperone Stipends

Chaperone Stipends are compensation for Chaperone supervision of students on overnight travel. \$50.00 per day or \$200.00 for overnight. All Chaperones/Security shall ride with teams or student activities to be eligible for the stipends.

Time and Effort

1. No longer specific about requirement for semi-annual certifications, but shall meet the following requirements:
 - a. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated.
 - b. Be incorporated into the official records of the entity.
 - c. Reasonably reflect the total activity for which the employee is compensated by the entity (not exceeding 100%).
 - d. Encompass both federally assisted and all other activities on an integrated basis.
 - e. Comply with established accounting policies and practices of the entity.
 - f. Support the distribution of the employee's salary or wages amount specific activities or cost objective if the employees works on more than one Federal award, and
 - g. Budget estimates alone do not qualify as support for charges

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to Federal wards, but shall be used for interim accounting purposes.

Property/Fixed Assets

Policy Objectives

- A. To include all elements necessary to accumulate and maintain property information, to control assets by program, and to prepare reports that are necessary for external control and internal reporting purposes.
- B. To keep property expenditures within the limitations set by program objectives, budgets, and grant or contract revenues.
- C. To include control methods necessary to properly account for property additions, deletions, or transfers and to safeguard school property.

Definitions

- 1.1 **Accountable Officer:** The Standing Rock Community School Finance Office Designate under the direction of the Superintendent is responsible for ensuring the establishment and maintenance of property accountability records to promote control of property assigned to school employees.
- 1.2 **Accountable Property:** Property for which detailed property records are kept. Such property includes supplies and materials, capitalized, non-capitalized, sensitive, leased and contractor held property with a value of \$100.00 or more. All accountable property shall have a property tag affixed to it.
- 1.3 **Acquire:** To procure, purchase, or obtain any property from any source at the Standing Rock Community School.
- 1.4 **Acquisition Cost:** Total cost of acquiring property such as handling, storage cost, packing, shipping, transportation, installation, less prompt payment or other discount.
- 1.5 **Capitalized Property:** Non-expendable property with an acquisition cost of \$5,000 or more that is charged to a general ledger account. All capitalized property shall have a School property tag affixed to it.

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- 1.6 Accountable Employee: The employee that uses the property item is financially liable for loss, damage, destruction, or misuse in the amount determined by the PSC Committee.
- 1.7 Custodial Officer: Finance Office Designate or Superintendent shall designate in writing a Custodial Officer for each building or department where daily control and supervision is necessary. The Building Principals, Facility Manager, Head Cook, Janitor Supervisors and Transportation Supervisor shall be designated as School Custodial Officers.
- 1.9 Excess Property: Property that is no longer useful to the school that can be transferred back to the BIA or disposed of.
- 1.10 Expendable Property: Property, which is consumed within one year, loses its identity or becomes an integral part of another piece of property when put to use.
- 1.11 Loss of Property: The loss, damage, or destruction of school property.
- 1.12 Materials and Supplies: Any item necessary for the normal operation and support of the School activities.
- 1.13 Non-capitalized Property: Expendable property and non-expendable property with an acquisition cost below \$5,000.
- 1.14 Non-expendable Property: Property, which has a continued service life of one year or more and has a cost value of \$5,000 or more.
- 1.15 Neglect and Negligence: Minor negligence is the failure to ensure protection of school property. Major negligence is an act or omission, which constitutes misconduct and reckless disregard for school property.
- 1.16 Property Management: The process for controlling the acquisition, receipt Storage, issue utilization, maintenance, protection, accountability, and disposal of school property.
- 1.17 Property Accountability: The obligation of the Finance Office to establish and maintain adequate property records and effective control over property. This obligation shall not be delegated to other employees.
- 1.18 Property Responsibility: The obligation of an individual for the proper use, care,

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and safekeeping of school property entrusted to their possession or under their direct supervision.

- 1.19 Receiving Technician: The Inventory Technician shall be designated in the job description as the employee to receive all property for the school.
- 1.1.1 Sensitive Property: Property controlled by accountability with additional safeguards against the high probability of theft, misuse, pilferage, and misappropriation.
- 1.21 Surplus Property: Property no longer needed by the school.

Property Accountability

Specific Policy Statements

1. All designations of property accountability shall be in writing. To avoid a conflict of interest, the Accounts Payable Technician shall not serve in a custodial or receiving capacity.
2. The Finance Office Designate as Accountable Officer is responsible with the oversight of the Superintendent for the full implementation of the property management system.
3. The Custodial Officer shall be held responsible for loss, damage, or destruction to property as recommended by the PSC. The Accountable Officer (Chief Finance Officer) shall appoint the Custodial Officers in writing. The Custodial Officer shall be assigned inventory under their care until the inventory has been transferred or disposed of. The Custodial Officer shall report any theft, misuse, or damage in writing.
4. The Receiving Technician (Inventory Technician) is the first employee to acknowledge receipt of purchased property. They shall conduct a thorough inspection of items received, ensure the property safeguards are in place by verifying the quantity ordered is received and delivered. The property item shall have a school property tag number affixed before delivery to the school employee responsible for the property item.
5. The Employee Clearance Form shall be signed off by the Supervisor, IT Department and Human Resources to verify that all property is returned and a copy shall be forwarded to payroll to indicate authorization of payment for

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contract closeout.

6. The employee's immediate supervisor shall authorize property taken home.

General Policy Statements

1. Records should be updated to include all of the following items: description of the property, a serial number or other identification number, the source of funding, who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award, the location, use and condition of the property, and any ultimate disposition data.
2. Property purchases in excess of budgeted amount shall not be allowed.
3. Purchases of Property must comply with Accounts Payable and Purchasing policies.
4. Property acquisitions shall be recorded on school inventory records for all purchased items over \$100 that is not consumable and capitalized for the cost of each item exceeding \$5,000. The inventory must distinguish which funding agency paid for the item.
5. Disposal of inventory with initial purchase value over \$5,000 shall be approved by the School Board and must comply with grant and contract requirements. The Finance Office shall handle disposal of inventory items. Any funds received from property disposal shall be treated in accordance with grant or contract provisions, where applicable.
6. A physical inventory shall be taken annually each school year. An onsite inspection can be done periodically by Inventory Technician if necessary.
7. Where necessary, all sensitive items are to be stored in a locked file cabinet, safes, or locked storage rooms.
8. All capitalized property shall have a school property tag affixed to it.
9. It is the responsibility of the employee to take all reasonable precautions to protect school property in their possession.
10. Property no longer useful to the school shall be transferred back to the BIA

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in accordance with 25 CFR 276.11(e)(5).

11. Property shall be considered expendable if there is breakage during service or has a cost value less than \$5,000.
12. Minor and major negligence shall be dealt with in accordance with school policy.
13. All theft or vandalism cases shall be reported on a Theft Report Form available in the Finance Office and returned to the Accountable Officer (Chief Finance Officer) who immediately reports such cases to the local and state law enforcement officials.

Procurement Policy

Procurement Policy

- A. Levels of purchases and requirements:
 1. Micro purchases: purchases under \$3,000 require no quotes, the entity should provide for equitable distributions among vendors.
 2. Small purchases: purchases between \$3,000 and \$150,000 require quotes to be obtained from an adequate number of qualified sources.
 3. Sealed bids purchases: purchases over \$150,000 (preferable for construction projects) receive sealed bids that are publicly solicited and a firm fixed price contract is awarded to the responsible bidder is the lowest in price when conforming to all terms and conditions of the invitation for bids.
 4. Competitive proposals purchases: purchases over \$150,000 (used when conditions are not appropriate for use of sealed bids, i.e. architectural/engineering/professional services) in which more than one source submits an offer and either a fixed price or cost-reimbursement type contract is awarded. Requests for proposals shall be publicized and identify all evaluation factors and importance, must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.

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5. Noncompetitive proposals purchases: when small purchases (between \$3,000 and \$150,000) meet the following conditions: 1) available only from a single source, 2) public emergency for the requirement shall not permit a delay resulting from competitive solicitation, 3) Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the entity, and 4) after solicitation of a number of sources, competition is determined inadequate.
- B. Indian Preference: The School shall provide preference to Indian-owned economic enterprises and Indian organizations and shall maintain and/or refer to lists of qualified Indian sources when utilizing the Small Purchase Procedure or the Sealed Bid Procedure.
6. An Indian-owned economic enterprise or Indian organization shall be an entity that has been certified as Indian owned by the Tribe's TERO office and as defined by the Tribal Employment and Contracting Office Ordinance, found in the Code of Justice, Section 30-352.
 7. Indian Preference shall be applied when an Indian-owned economic enterprise or Indian organization has made a bid and an award shall be made, if the bid is within five per cent (5%) of the lowest bid or quotation.
- C. Small Purchase Procedures – Any procurement not exceeding \$100,000 shall be conducted in accordance with the procedures outlined in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section.
1. Obtaining quotes. Price quotations shall be solicited by phone, letter or other informal procedure that allows participation by a reasonable number of competitive sources. When soliciting quotations, the sources solicited shall be informed of the specific item being procured, the time which quotations must be submitted, and the information required to be submitted with each quotation. Written quotations must be submitted; however, the written quotation shall be a confirmation of a previous oral quotation only if it is submitted within five (5) days of the oral quotation or by the date due for submitting quotations. The names, addresses telephone number(s) of the offertory and persons contacted, and the date and amount of each quotation shall be recorded and available to the School Board for review.

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2. Competition. Quotations shall be obtained from a minimum of two (2) sources, and if no Indian-owned economic enterprise or Indian organization is available to obtain a quote, the file must contain a notation that no such source and/or quote are available. Solicitation of fewer of two sources is acceptable if an attempt is made but has been unable to obtain a sufficient number of quotations. The sole quotation received shall be accepted without justification only in unusual circumstances (such as an emergency threatening public health and safety).
 3. Justification shall be kept on file for noncompetitive purchase.
 4. Award. The School Board shall be supplied with all information necessary to justify the award when asked.
- D. Sealed Bids. Any procurement expected to exceed \$150,000.00 shall be conducted by sealed bidding. There shall be a cost estimate available to the School Board prior to solicitation, including a cost or price analysis. The School board shall be provided with the solicitation (Invitation for Bids) prior to the advertisement to ensure compliance with the Procurement Policy.
1. Solicitation and Receipt of Bids.
 - a. Issuance and amendment. An invitation for bids shall be issued including specifications on all contractual terms and conditions applicable to the procurement. Public advertising shall be provided a minimum of twenty-one (21) days prior to bid opening. Amendments to the invitation shall be in writing and if it is necessary to issue an amendment within seven (7) days of the bid opening, the bid opening shall be postponed until at least seven (7) days after the issuance of the amendment. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time-stamped but not opened and shall be secured in a safe location. A bidder may withdraw its bid at any time prior to bid opening.
 - b. Restricting solicitations. The invitation shall be restricted to qualified Indian-owned economic enterprises and Indian organizations if there is a reasonable expectation of receiving two (2) bids; otherwise, bids shall be solicited from non-Indian as well as Indian-owned enterprises and Indian organizations.

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- c. **Solicitation Notices.** Solicitations shall include the following Information: a statement of applicability of Indian preference to the solicitation and evidence of eligibility for Indian Preference; A requirement that a bid bond of five percent (5%) of the bid be submitted with the bid; a requirement that the successful bidder must provide a performance bond if award is made to the bidder; availability of the specifications; a mandatory pre-bid Meeting date; a statement that the School reserves the right reject any and all bids if deemed necessary by the School; and, any other requirements necessary to provide notice to the bidder(s).
 2. **Bid opening.** Bids shall be opened publicly in the presence of the School Board.
 3. **Award.** Award shall be made by written notice to the successful Bidder as follows:
 - a. **Restricted Solicitations.** If the solicitation is restricted to Indian-owned enterprises or organizations, and two or more qualified Indian- owned enterprises or organizations submit responsive bids, award shall be made to the qualified Indian- owned enterprise or organization with the lowest bid, if within budgeted amounts. The School shall accept a single bid received if the School determines that, based on cost or price, he bid is fair and reasonable.
 - b. **Unrestricted Solicitations.** If the solicitation is not restricted to Indian-owned enterprises or organizations, award shall be made to the lowest bid. If an Indian- owned enterprise or organization submits a bid that is within five per cent (5%) of the lowest bid, award shall be made to the Indian- owned enterprise or organization, if it is within the maximum total contract price or budget amount. If no bid is received that is within the total contract price or budget amount, all bids shall be rejected as non-responsive.
- E. **Gratuities, Kickbacks and use of confidential information.** School board members, employees or agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties and shall not use any information gathered or obtained in the award of contracts or for actual or anticipated personal gain.

See Addendum #1 for Uniform Grant Guidance Policy

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Procurement, Suspension and Debarment Policy

Policy Objectives

The purpose of the policy is to ensure compliance with the requirements of The Office of Management and Budget (OMB) that requires all federally awarded recipients comply with the Procurement Debarment and Suspension Rule. This common rule restricts sub-awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal Assistance programs or activities.

For purposes of procurement and contracts utilizing federal funds, the Standing Rock Community School awards contracts to only responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources. The school may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000 as indicated in 2 C.F.R. § 200.68 (MTDC) the school will verify that the vendor with whom the school intends to do business with is not excluded or disqualified.

SUSPENSION - An exclusion from government contracting and subcontracting for a reasonable, specified period of time because an individual is suspected of engaging in criminal, fraudulent or seriously improper conduct. Suspension is to be used on an interim basis pending debarment.

DEPARTMENT – An exclusion from government contracting and subcontracting for a reasonable, specified period of time because the individual or vendor failed to perform or their performance was inadequate.

All individuals and entities suspended or debarred are listed on the U.S. General Services Administration (GSA), Excluded Parties Listing System (EPLS). The search can be performed at www.sam.gov (<https://www.sam.gov>)

Specific Policy Statements:

Procedures to Follow:

1. To ensure that the Standing Rock Community Grant School is not doing business with vendors who have been suspended or debarred from doing business with the Federal government, the Business Office will perform a search through sam.gov before contracts are made and the results will be kept on file.

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Student Activity Fund

Policy Objectives

- A. To include control elements to properly account for student activity money and to verify how much cash on hand belongs to each student organization.

Specific Policy Statements

1. Cash shall be turned in daily to the Athletic Director and shall be kept in a locked vault or safe until deposited. The Cash shall be brought to the Finance Office for an independent count and verification and deposited with other cash receipts of the school.
2. A count of all cash boxes shall be done immediately following an activity or event where cash is received by the Athletic Director and activity or event worker, verified by two signatures, and receipted.
3. Receipts shall be issued in numerical order as cash is received.
4. All activity of the student activity account shall be entered into a ledger which shows a cash balance for each activity and club.
5. Bank reconciliation shall be done on a monthly basis by the Finance Office Designate or Office Manager and reconciled to the Student Activity account ledger after verified as accurate by the Finance Office Designate
6. A financial report of the Student Activity Account shall be done by the Finance Office Designate with the Athletic Director or authorized designee and reviewed by the both. The Athletic Director shall present the report to the School Board on a monthly basis.

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Travel

Policy Objectives

- A. To control travel expenditures by ensuring that the travel purpose is consistent with program objectives and by not allowing travel expenditures not to exceed budgeted amounts.
- B. To make accounting and reimbursement for travel more efficient for Principals and Program supervisors who have the ultimate responsibility to ensure compliance with travel policies and budgetary amounts.
- C. To include control elements necessary to properly authorize, account for, and document travel expenses in order to comply with federal regulations and school policies.

Specific Policy Statements

1. The Finance Office Designate shall require the necessary support and documentation for all travel in order to fully comply with federal audit regulations.
2. A Travel Justification form shall be completed at least three (3) weeks or 21 calendar days by the traveler before any travel can be determined for approval.
3. All travel shall have an approved Travel Authorization Form prior to any travel off reservation and Travel Request form for on reservation travel.
4. The traveler shall complete a requisition form in accordance with Accounts Payable and Purchasing Policies for lodging, airfare, registration and other required fees. Once approved by the Supervisor and the Superintendent, a Travel Authorization shall be prepared. Each respective school shall make all necessary travel arrangements for their staff.
5. Travel advances for off-reservation travel shall be requested by submitting an approved travel authorization form. Travel advances shall be disbursed on the normal payment cycles (NO IMMEDIATE PAYMENTS)

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and shall be limited to 80% of the estimated travel reimbursement.

6. All travel, lodging and per diem (if applicable) shall be paid in accordance with the Accounts Payable and Purchasing Policies. All School Board members travel shall be approved by the Standing Rock Community School board in advance of the requested travel.
7. Mileage and per diem shall be paid in accordance with the current GSA rates. Lodging shall be paid at actual cost. Mileage shall not be paid within 30 miles round trip from Standing Rock Community Grant School.
8. A travel expense report shall be completed and submitted by all employees within 5 business days of returning from travel for any travel expense incurred. Original Receipts for lodging, registration, taxi, luggage and airfare and any balance owed by the employee shall be submitted with the report. Any travel expense not accompanied by a receipt shall become the responsibility of the traveler. All travel expenses shall be deducted from the traveler's payroll check when the Travel Expense Report is not turned in within 5 days or when a receipt is not provided. Once deducted, the employee shall not be allowed to submit a Travel Expense Report in order to be reimbursed. An employee with an outstanding travel expense report shall not be authorized for future travel until the expense report is turned in.
9. It shall be the responsibility of the traveler for travel advances to be returned to the Finance Office and voided if the authorized travel was cancelled for any reason. Any travel advance not returned to the Finance Office shall be dealt with according to Employee Policies and Procedures, School Financial Policies and the Charter and By Laws and/or turned over to the proper authorities.
10. The most economical and practical method of transportation shall be used for all travel.
11. All air travel shall be at the most economical rate available. Trips should be planned as far in advance as possible to get the best rate. First Class air travel shall not be allowed.
12. Mileage shall not be paid for the use of personal vehicles unless authorized by the Superintendent. All travelers shall use GSA

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vehicles when they are available. All requests for rental cars must be approved by the Superintendent prior to commencing travel.

13. All requests for school vehicles shall be approved and coordinated by the Transportation Supervisor. Use of school vehicles shall be scheduled at least 3 working days in advance. All mileage for school vehicles shall be recorded with the Transportation Supervisor. All requests for student travel shall be scheduled one week in advance.
14. All travelers shall return the vehicles in the same condition as it was when checked out with fuel. Washing the interior/exterior shall be the responsibility of the Transportation Department.
15. The Transportation Department is required to have all school vehicles ready for travel which includes oil changes, tire pressure, and other maintenance required to keep the vehicle in good running condition.
16. The Transportation Supervisor has the authority to refuse usage of the school vehicles if no vehicles are available, improper notice, or continuous non-compliance of policies and procedures and misuse of school vehicles and GSA credit cards.
17. Any misuse of the school vehicles or GSA credit cards shall be reported by the Transportation Supervisor to the Superintendent and the proper authorities.
18. All original receipts shall be turned into the Finance Office and an expense report completed as stated in the school's Financial Policies. Any expenses or amounts owed over the cost of the trip shall be deducted from salary or Board stipends.
19. All school vehicles shall have an authorized SRCS driver. Any school vehicles used for any purpose other than for the Standing Rock Community School must be approved through an agreement signed by the Superintendent and Board Chairperson.
20. All buses must be driven by a SRCS driver for insurance purposes. Any outside agency or group shall pay the bus drivers at their regular hourly rate. All trips with more than 10 hours of driving time by an outside group shall require two bus drivers to drive according to D.O.T.

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21. For identification purposes all School owned and GSA vehicles with the exception of GSA buses must display the school logo on the vehicles at all times to visually identify the school vehicle.
22. Employee Clearance Form must be completed at the end of employment to verify that all travel is reconciled.

MOBILE CELL PHONE USE POLICY

Policy Objectives

- To establish guidelines for the use and reimbursement cost for lost or damaged cell phones for SRCS employees utilizing cell phones.

Specific Policy Statements

1. This policy applies to all employees who are required, by their job duties, to have /use a cell phone.
2. It is the responsibility of all employees who are required to have a cell phone for their job duties to ensure compliance with this policy.

Policy

1. Cell phones are required by employees in some positions in the school to maintain and conduct school business.
2. It is the employee's responsibility to maintain possession of the cell phone at all times to perform your job. If the cell phone is lost or stolen, it shall be the employee's responsibility to cover the cost of replacement.
3. It is the employee's responsibility to maintain any equipment that was issued with the cell phone, example: electric charging cord, case, etc.
4. Upon separation of employment employees shall return the cell phone and equipment in working order.
5. Any cell phone use while driving is prohibited, text messaging or reading text while driving is prohibited.

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6. You must remember to check you messages and return important calls as soon as possible.
7. The cell phone user shall sign and agree to follow the SR Cellular Authorization and Agreement Form.
8. If you have a PIN number or Pattern you shall need to give the Business Office your pin or pattern to keep on file in the event of an emergency with your cell phone.
9. After the cell phone user agreement expires, an upgrade if required, has to be approved by the supervisor before a new cell phone can be acquired.
10. Any violations of this policy shall lead to termination of cell phone use.

North Dakota Distracted Driving Laws - Century Code 39-08-23

North Dakota's distracted driving laws prohibit all motorists from text messaging while driving. It is also illegal for all drivers to use a wireless communication device to compose, read, or send an electronic message. The texting ban applies while a motorist has the car actually in motion and at temporary stops. In other words you can get a texting ticket even if you're stopped at a red light or stop sign while composing or reading a message.

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Addendum #1 Standing Rock Community School Uniform Grant Guidance Policy Regarding Federal Revenue Sources

I. PURPOSE

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the Standing Rock Community School.

II. DEFINITIONS

A. Grants

1. "State-administered grants" are those grants that pass through a state agency such as the North Dakota Department of Public Instruction (DPI).
2. "Direct grants" are those grants that do not pass through another agency such as DPI and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by the U.S. Department of Education (DOE) or by another federal awarding agency.

B. "Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

C. "Federal award" has the meaning, depending on the context, in either paragraph 1. or 2. of this definition:

1. a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability); or
- b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability).

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B. "Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

C. "Federal award" has the meaning, depending on the context, in either paragraph 1. or 2. of this definition:

1. a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability); or
 - b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability).
2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance

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covered in paragraph (b) of 2 C.F.R. § 200.40 (Federal Financial Assistance), or the cost-reimbursement contract awarded under the federal Acquisition Regulations.

- 3 "Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal- government-owned, contractor-operated facilities.

D. "Contract" means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 C.F.R. Part 200, does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.

E. Procurement Methods

1. "Procurement by micro-purchase" is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally \$3,000, except as otherwise discussed in 48 C.F.R. Subpart 2.1 or as periodically adjusted for inflation).
2. "Procurement by small purchase procedures" are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000 (periodically adjusted for inflation).
3. "Procurement by sealed bids (formal advertising)" is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
4. "Procurement by competitive proposals" is normally conducted with more than one source submitting an offer, and either a fixed-price or cost- reimbursement type contract is awarded. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
5. "Procurement by noncompetitive proposals" is procurement through solicitation of a proposal from only one source.

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- F. "Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.
- G. "Compensation for personal services" includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 C.F.R. § 200.431 (Compensation - Fringe Benefits).
- H. "Direct costs" are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- I. "Travel costs" are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school.

III. CONFLICT OF INTEREST

- A. Employee Conflict of Interest. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the school may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the school.
- B. Organizational Conflicts of Interest. The school is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.

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- C. **Disclosing Conflicts of Interest.** The school must disclose in writing any potential conflict of interest to DPI in accordance with applicable federal awarding agency policy.

IV. **ACCEPTABLE METHODS OF PROCUREMENT**

- A. **General Procurement Standards.** The school must use its own documented procurement procedures which reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.
- B. The school must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C. The school's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- D. The school must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- E. The school must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.
- F. The school alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school of any contractual responsibilities under its contracts.
- G. The school must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

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H. Methods of Procurement. The school must use one of the following methods of procurement:

1. Procurement by micro-purchases. To the extent practicable, the school must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the school considers the price to be reasonable.
2. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
3. Procurement by sealed bids (formal advertising).
4. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;
 - c. The school must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. The school may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services; it cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.

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5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:

- a. The item is available only from a single source;
- b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c. The DOE or DPI expressly authorizes noncompetitive proposals in response to a written request from the school; or
- d. After solicitation of a number of sources, competition is determined inadequate.

I. Competition. The school must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When making a clear and accurate description of the technical requirements is impractical or uneconomical, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

J. The school must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the school district must not preclude potential bidders from qualifying during the solicitation period.

K. Non-federal entities are 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 procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.

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- L. All non-procurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 C.F.R. § 180.215.

V. MANAGING EQUIPMENT AND SAFEGUARDING ASSETS

- A. Property Standards. The school must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

The school must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 C.F.R. §§ 200.311, 200.314, and 200.315.

- B. Equipment Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every year.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. Adequate maintenance procedures must be developed to keep property in good condition.
5. If the school is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

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VI. FINANCIAL MANAGEMENT REQUIREMENTS

- A. Financial Management. The school's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.
- B. Payment. The school must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the school district and the financial management systems that meet the standards for fund control.
Advance payments to a school must be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the school district in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The school must make timely payment to contractors in accordance with the contract provisions.
- C. Internal Controls. The school must establish and maintain effective internal control over the federal award that provides reasonable assurance that the school district is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States, or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The school must comply with federal statutes, regulations, and the terms and conditions of the federal award.

The school must also evaluate and monitor the school district's compliance with statutes, regulations, and the terms and conditions of the federal award.

The school must also take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

The school must take reasonable measures to safeguard protected personally identifiable information considered sensitive consistent with

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applicable federal and state laws regarding privacy and obligations of confidentiality.

VII. ALLOWABLE USE OF FUNDS AND COST PRINCIPLES

- A. Allowable Use of Funds. The school administration and board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.
- B. Definitions
1. "Allowable cost" means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.
 2. "Education Department General Administrative Regulations (EDGAR)" means a compilation of regulations that apply to federal education programs. These regulations contain important rules governing the administration of federal education programs and include rules affecting the allowable use of federal funds (including rules regarding allowable costs, the period of availability of federal awards, documentation requirements, and grants management requirements). EDGAR can be accessed at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.
 3. "Omni Circular" or "2 C.F.R. Part 200s" or "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
 4. "Advance payment" means a payment that a federal awarding agency or pass through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.
- C. Allowable Costs. The following items are costs that may be allowable under the 2 C.F.R. Part 200s under specific conditions:
1. Advisory councils;
 2. Audit costs and related services;
 3. Bonding costs;
 4. Communication costs;

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5. Compensation for personal services;
6. Depreciation and use allowances;
7. Employee morale, health, and welfare costs;
8. Equipment and other capital expenditures;
9. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;
10. Insurance and indemnification;
11. Maintenance, operations, and repairs;
12. Materials and supplies costs;
13. Meetings and conferences;
14. Memberships, subscriptions, and professional activity costs;
15. Security costs;
16. Professional service costs;
17. Proposal costs;
18. Publication and printing costs;
19. Rearrangement and alteration costs;
20. Rental costs of building and equipment;
21. Training costs; and
22. Travel costs.

- D. Costs Forbidden by Federal Law. 2 CFR Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 CFR Part 200s; thus, the following list is not exhaustive:

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1. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
2. Alcoholic beverages;
3. Bad debts;
4. Contingency provisions (with limited exceptions);
5. Fundraising and investment management costs (with limited exceptions);
6. Donations;
7. Contributions;
8. Entertainment (amusement, diversion, and social activities and any associated costs);
9. Fines and penalties;
10. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
11. Goods or services for personal use;
12. Interest, except interest specifically stated in 2 C.F.R. § 200.441 as allowable;
13. Religious use;
14. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
15. Construction (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
and
16. Tuition charged or fees collected from students applied toward meeting matching, cost sharing, or maintenance of effort requirements of a program.

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E. Program Allowability

1. Any cost paid with federal education funds must be permissible under the federal program that would support the cost.
2. Many federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.
3. The two largest federal K-12 programs, Title I, Part A, and the Individuals with Disabilities Education Act (IDEA), do not contain a use of funds section delineating the allowable uses of funds under those programs. In those cases, costs must be consistent with the purposes of the program in order to be allowable.

F. Federal | Cost Principles

1. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:
 - a. Necessary for the proper and efficient performance or administration of the program.
 - b. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.
 - c. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program - for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.
 - d. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.

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- e. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.
- G. Program Fiscal Rules. The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.
1. All federal education programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.
 2. Many state-administered programs require local education agencies (LEAs) to use federal program funds to supplement the amount of state, local, and, in some cases, other federal funds they spend on education costs and not to supplant (or replace) those funds. Generally, the "supplement, not supplant" provision means that federal funds must be used to supplement the level of funds from non-federal sources by providing additional services, staff, programs, or materials. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds (and, in some cases, with other federal funds).
 3. Auditors generally presume supplanting has occurred in three situations:
 - a. School uses federal funds to provide services that the school is required to make available under other federal, state, or local laws.
 - b. School uses federal funds to provide services that the school district provided with state or local funds in the prior year.
 - c. School uses Title I, Part A, or Migrant Education Program funds to provide the same services to Title I or Migrant students that the school provides with state or local funds to nonparticipating students.
 4. These presumptions apply differently in different federal programs and also in schoolwide program schools. Staff should be familiar with the supplement and not supplant provisions applicable to their program.

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H. Approved Plans, Budgets, and Special Condition

1. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.
2. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the school district's grants.

I. Training

1. The school will provide training on the allowable use of federal funds to all staff involved in federal programs.
2. The school will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.

- II. Employee Sanctions. Any school employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

VIII. COMPENSATION - PERSONAL SERVICES EXPENSES AND REPORTING

A. Compensation - Personal Services

Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written policy of the school district consistently applied to both federal and non-federal activities; and
2. Follows an appointment made in accordance with a school district's written policies and meets the requirements of federal statute, where applicable.

Unless an arrangement is specifically authorized by a federal awarding agency, a school district must follow its written non-federal, entity wide policies and practices concerning the permissible extent of professional services that can be provided outside the school district for non-organizational compensation.

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B. Compensation - Fringe Benefits

1. During leave.

The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, and military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- a. They are provided under established written leave policies;
- b. The costs are equitably allocated to all related activities, including federal awards; and
- c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the school district.

2. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 C.F.R. § 200.447(d)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the school district's accounting practices.

3. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the school district follows a consistent costing policy.

4. Retirement (401) plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the written policies of the school.

C. Insurance and Indemnification. Types and extent and cost of coverage are in accordance with the school district's policy and sound business practice.

D. Recruiting Costs. Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long

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as they are:

1. Critical and necessary for the conduct of the project;
 2. Allowable under the cost principles set forth in the Uniform Grant Guidance;
 3. Consistent with the school district's cost accounting practices and school district policy; and
 4. Meeting the definition of "direct cost" in the applicable cost principles of the Uniform Grant Guidance.
- E. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the school district's reimbursement policy.
- F. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the school's non-federally funded activities and in accordance with the school district's reimbursement policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school in its regular operations according to the school district's written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are reasonable and consistent with the school's established travel policy.

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2 C.F.R. §200.12 (Capital Assets)
 2.C.F.R. § 200.112 (Conflict of Interest)
 2 C.F.R. § 200.113 (Mandatory Disclosures)
 2 C.F.R. §200.205(d) (Federal Awarding Agency Review of Risk Posed
 by Applicants)
 2 C.F.R. § 200.212 (Suspension and Debarment)
 2 C.F.R. §200.300(b) (Statutory and National Policy
 Requirements) 2 C.F.R. § 200.302 (Financial Management)
 2 C.F.R. §200.303 (Internal
 Controls) 2 C.F.R. §200.305(b)(l)
 (Payment)
 2 C.F.R. § 200.310 (Insurance Coverage)
 2 C.F.R. § 200.311 (Real
 Property) 2 C.F.R. § 200.313(d)
 (Equipment) 2 C.F.R. § 200.314
 (Supplies)
 2 C.F.R. § 200.315 (Intangible Property)
 2 C.F.R. § 200.318 (General Procurement
 Standards) 2 C.F.R. § 200.319(c) (Competition)
 2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
 2 C.F.R. § 200.321 (Contracting with Small and Minority
 Businesses, Women's Business Enterprises, and Labor
 Surplus Area Firms)
Cross References: 2 C.F.R. §200.328 (Monitoring and Reporting Program
 Performance) 2 C.F.R. § 200.338 (Remedies for
 Noncompliance)
 2 C.F.R. § 200.403(c) (Factors Affecting Allowability of
 Costs) 2 C.F.R. § 200.430 (Compensation - Personal
 Services)
 2 C.F.R. §200.431 (Compensation - Fringe
 Benefits) 2 C.F.R. § 200.447 (Insurance and
 Indemnification)
Approved: 2 C.F.R. § 200.463 (Recruiting Costs)
 2 C.F.R. §200.464 (Relocation Costs of
 Employees) 2 C.F.R. § 200.473
 (Transportation Costs)
 2 C.F.R. § 200.474 (Travel Costs)

 Policy 208 (Development, Adoption, and Implementation of
 Policies) Policy 210 (Conflict of Interest - School Board
 Members)
 Policy 210.1 (Conflict of Interest - School Board Members)
 Policy 412 (Expense Reimbursement)
 Policy 701 (Establishment and Adoption of School Budget)
 Policy 701.1 (Modification of School Budget)
 Policy 702
 (Accounting) Policy
 703 (Annual Audit)

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