Jackson-Madison County Schools

Policies and Procedures

Administration of Federal Education Programs

Aligned with the Requirements of the

New Uniform Grants Guidance

Revised 8/1/2016

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I. Introduction

This manual sets forth the policies and procedures used by **Jackson-Madison County Schools** to administer federal funds. The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail the District's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities.

New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and practices. If you have any questions regarding the administration of federal education grants, including questions related to specific federal grant programs, please do not hesitate to contact the applicable program office at the Tennessee Department of Education (TDOE).

II. Financial Management System

The District maintains a proper financial management system in order to receive both direct and stateadministered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

A. Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

Identification

The District must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity.

The District follows the State of Tennessee County Uniform Chart of Accounts to identify all federal awards received and expended.

www.comptroller.tn.gov/la/LGSlocalGovernment.asp

Financial Reporting

Accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).

The District follows the Education Department General Administrative Regulations (EDGAR) and the State of Tennessee reporting requirements for federal grants as well as all reports required by the State of Tennessee.

Accounting Records

The District must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

The District follows the Rules of the State of Tennessee, Rules of the Department of Financial Institutions, Chapter 0180-2 <u>Retention of Records</u> for retention all records pertinent to District federal grants. The District also has established board policy 2.701, Financial Reports and Records stating that

the director of schools shall submit monthly financial reports to the Board and to state and federal agencies as required.

Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

"Internal controls" are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with grant program and to further the Selected objectives; and
- Compliance with applicable laws and regulations.

The District adheres to the internal controls inherent within the accounting procedures as established by the State of Tennessee for all school districts. The District follows GASB and FASB regulations relative to accounting process and reporting. The Board supports the establishment and effectiveness of district internal controls as indicated in board policy 2.100 - *through established efficient procedures for accounting, reporting, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.*

Appendix A – Internal Control Policy

Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

The District continually monitors departmental and building expenditures relative to federal allocation. The accounting system and procedures in place do not allow for overspending of budget allocation within the system.

Cash Management

The District must maintain written procedures to implement the cash management requirements found in EDGAR.

The District's federal grants are reimbursable grants. Requisitions, followed by encumbering of dollars, followed by payment of the invoice must be done prior to requesting reimbursement for grant

expenditures. No district fund may be in the negative. The District continually monitors the activity within the Federal Projects fund to assure positive cash flow.

Allowable Costs

The District must maintain written procedures for determining allowability of costs in accordance with EDGAR.

All requisitions must be approved by the Manager of Federal Projects. Unallowable request for purchase are not approved.

B. Overview of the Financial Management/Accounting System

The District is currently structured under the 1981 consolidated school act. All accounting services and functions are done by Madison County Finance Office. Madison County is in the process of implementing the Munis ERP system. Phase 1 of the implementation includes the financial modular of General Ledger, Accounts Payable, Purchasing, and Cash Management. Phase 2 will begin immediately following completion of Phase 1. Phase 2 includes payroll and Human Resources. All modules interface as required by Best Business Practice. Requisitions and invoices are entered into the system by individual departments. The approval processes are managed through workflow and is designed to adhere to the appropriate internal controls. The business office for the District, along with the County Finance Office, manages budget and accounts payable. The District business office offers guidance and oversight of the accounting functions done by the county finance office. Federal funds are processed through the District's Federal Projects fund and identified specifically using the State of Tennessee Standardized System of Accounting and Reporting– Uniform Chart of Accounts at http://www.tn.gov/education/districts/finance/loc_fin_system_manual.pdf or the County Uniform Chart of Accounts at http://www.tn.gov/la/pdf/20140508CHRTRev.pdf.

The responsibility for compiling timely and accurate financial reports are shared by the Federal Projects accountant and the Business office staff. Reports are reviewed and approved by the Manager of Federal Projects and the Superintendent of Schools. The reports do include monthly and cumulative expenditures, project budgets, and a balance remaining column. All information is submitted in the State of Tennessee federal grants reporting system.

C. Budgeting

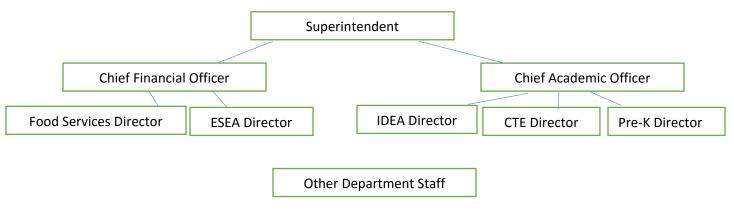
The Planning Phase: Meetings and Discussions

<u>Before Receiving the Grant Award Letter</u>: Before grant award letters are received, budget meetings are held with the CFO and finance office staff, the Superintendent, the Manager of Federal Programs, CTE Director, Pre-K Director, Food Service Director, and/or IDEA Director as well as staff (bookkeepers, consultants), and other departments affected by the grant. Planning meetings occur in the same way.

The budget for the grant is determined by specific district needs and review of grant objectives. Early decisions for the budget are based on the prior year's award, and adjustments are made once the grant award letter is received and funds are determined. Decisions are made based on needs assessments done each fall, and through monitoring of changes in needs throughout the fiscal year. The district, as well as the individual schools, complete an annual needs assessment each fall on ePlan. Before budget requests for new resources are considered, current and existing resources are reviewed to determine the specific needs for the upcoming fiscal year. Personnel responsible for the budget process include the CFO and finance department staff, all department staff administering federal funds, and other departments benefiting from these funds.

The time frame for the annual budget process begins in late fall preceding the upcoming fiscal year and continues through early spring. In the case of new awards granted throughout the fiscal year, the process is expedited based on needs, availability of funds, and amount of funds.

ORGANIZATIONAL CHART FOR BUDGET PROCESS



JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2200 41.pdf

Reviewing and Approving the Budget:

JMCSS Budget Process for Federal Grants:

The directors of each department prepare an annual budget and submit to the CFO for review.

By the early spring of each year, the department heads and district budget team review the items in the budget to ensure allowability. See Section [E] for a discussion on performing allowability

determinations. If the department heads and budget team determine that a cost is not allowable, then departments must make necessary adjustments to meet allowability. JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2200 41.pdf

Once department heads and the budget team determine that all budgeted items are allowable, the budget is sent to the School board and to the Madison County Commission for final review and approval. Generally, the budget receives final approval by July 1st of each year.

The budget is accessed in the Munis system by the bookkeepers of those departments.

Once the budget is approved, it goes to the Accountant I in the district finance office where it is loaded into the county government's local software online accounting system.

After Receiving the grant award letter

Upon receipt of the grant award letter, the department head (IDEA Director, Manager of Federal Programs, Pre-K Director, Food Services Director, or CTE Director) will meet with personnel benefiting from or overseeing the implementation of the grant to discuss adjustments that need to occur. If the amount is changed (increased or decreased), then a meeting is held to determine the best use of the funds awarded.

Amending the Budget

The process for amending the budget is as follows:

- A revision is made on ePlan and must be approved by the district fiscal representative, the state, and the superintendent of the district.
- An amendment is submitted to the local school board for approval.
- Once approved, it is submitted to the local county commission for approval.

Budget Control

The District monitors its financial performance by comparing and analyzing actual results with budgeted results. The District continually monitors budget with actual expenditures. Budget versus Actual reports are generated often and timely when analyzing budgets for federal grants. Because the monitoring of grants is continuous, there are no significant differences.

D. Accounting Records

All district accounting records are retained in the county finance office. As fiscal service provider for the district they are responsible for maintaining accounting records. However, the District's Federal

Projects fund manager and CFO review and approve financial records. Journal entries are made within the accounting system by county finance staff. The original request for a journal entry is initiated in the District's business office. Journal entries are reviewed by district accountants in the school's business office. There are no recurring journal entries. The District follows the State of Tennessee Chart of Accounts as provided in the State's Standardized System of Accounting and Reporting manual.

file:///C:/Users/rlparker/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.IE5/3FNL 9QEF/loc_fin_system_manual.pdf

E. Spending Grant Funds

The process to determine what items (i.e., goods and services) should be included in the budget is first and foremost, needs-based. District staff and school staff make decisions on specific items to be included based on current assessment of student and staff needs.

While developing and reviewing the grant budget, the Finance Department should keep in mind the difference between direct costs and indirect costs.

Direct and Indirect Costs Defined

<u>Determining Whether a Cost is Direct or Indirect</u>: 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. 2 C.F.R. § 200.413(a). Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. 2 C.F.R. § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 C.F.R. § 200.413(a).

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. 2 C.F.R. § 200.413(b). The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and

• The costs are not also recovered as indirect costs. 2 C.F.R. § 200.413(c).

Indirect Cost Rate:

TDOE approves indirect cost rates for one year. The indirect cost rate is developed using guidelines provided by the Tennessee Department of Education. The regional fiscal consultant assigned by the State Department of Education assists in figuring the indirect cost rate annually.

http://www.state.tn.us/education/districts/finance/loc fin indirect cost manual.pdf

<u>Applying the Indirect Cost Rate</u>: Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. 34 C.F.R § 75.564; 34 C.F.R. § 76.569. Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For Direct Grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions. 34 C.F.R. § 75.564.

Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges.

Determining Allowability of Costs

Expenditures must be aligned with approved budgeted items. Any changes or variations from the stateapproved budget and grant application need prior approval from the state.

When determining how the District will spend its grant funds, the IDEA Director, the Manager of Federal Programs, the Pre-K Director, the Food Services Director, and/or the CTE Director will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 C.F.R. § 200.403, which are provided in the bulleted list below. The IDEA Director, the Manager of Federal Programs, the Pre-k Director, the Food Services Director, and the CTE Director must consider these factors when making an allowability determination.

• Be Necessary and Reasonable for the performance of the federal award. District staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award.
- The restrains or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.
- Whether the district significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 C.F.R. § 200.404

While 2 C.F.R. § 200.404 does not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the district can demonstrate that the cost addresses an existing need, and can prove it. For example, the district may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant program.
- Whether the cost is identified in the approved budget or application.
- Whether there is an educational benefit associated with the cost.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses program goals and objectives and is based on program data.
- Allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. § 200.405. For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
- Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.

- Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.
- **Consistent treatment.** A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- Adequately documented. All expenditures must be properly documented.
- Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.
- Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
- Be the net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. § 200.406.

The District uses purchasing cards available from Madison County Finance Office. Expenditure credits from use of the purchasing cards are posted to the General Purpose budget.

Part 200's cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state- and District-level requirements and policies regarding expenditures to be followed as well. For example, state and/or District policies relating to travel or equipment may be narrower than the federal rules, and the stricter State and/or District policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under State law.

Selected Items of Cost

Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the

selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The District must follow these rules when charging these specific expenditures to a federal grant. When applicable, District staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules may deem a cost as unallowable and District personnel must follow those non-federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 C.F.R. § 200.421
Advisory councils	2 C.F.R. § 200.422
Alcoholic beverages	2 C.F.R. § 200.423
Alumni/ae activities	2 C.F.R. § 200.424
Audit services	2 C.F.R. § 200.425
Bad debts	2 C.F.R. § 200.426
Bonding costs	2 C.F.R. § 200.427
Collection of improper payments	2 C.F.R. § 200.428
Commencement and convocation costs	2 C.F.R. § 200.429
Compensation – personal services	2 C.F.R. § 200.430
Compensation – fringe benefits	2 C.F.R. § 200.431
Conferences	2 C.F.R. § 200.432
Contingency provisions	2 C.F.R. § 200.433
Contributions and donations	2 C.F.R. § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements 2 C.F.R. § 200.435	
Depreciation	2 C.F.R. § 200.436
Employee health and welfare costs	2 C.F.R. § 200.437
Entertainment costs	2 C.F.R. § 200.438
Equipment and other capital expenditures	2 C.F.R. § 200.439
Exchange rates	2 C.F.R. § 200.440
Fines, penalties, damages and other settlements	2 C.F.R. § 200.441
Fund raising and investment management costs	2 C.F.R. § 200.442

Gains and losses on disposition of depreciable assets	2 C.F.R. § 200.443
General costs of government	2 C.F.R. § 200.444
Goods and services for personal use	2 C.F.R. § 200.445
Idle facilities and idle capacity	2 C.F.R. § 200.446
Insurance and indemnification	2 C.F.R. § 200.447
Intellectual property	2 C.F.R. § 200.448
Interest	2 C.F.R. § 200.449
Lobbying	2 C.F.R. § 200.450
Losses on other awards or contracts	2 C.F.R. § 200.451
Maintenance and repair costs	2 C.F.R. § 200.452
Materials and supplies costs, including costs of computing	
devices	2 C.F.R. § 200.453
Memberships, subscriptions, and professional activity costs	2 C.F.R. § 200.454
Organization costs	2 C.F.R. § 200.455
Participant support costs	2 C.F.R. § 200.456
Plant and security costs	2 C.F.R. § 200.457
Pre-award costs	2 C.F.R. § 200.458
Professional services costs	2 C.F.R. § 200.459
Proposal costs	2 C.F.R. § 200.460
Publication and printing costs	2 C.F.R. § 200.461
Rearrangement and reconversion costs	2 C.F.R. § 200.462
Recruiting costs	2 C.F.R. § 200.463
Relocation costs of employees	2 C.F.R. § 200.464
Rental costs of real property and equipment	2 C.F.R. § 200.465
Scholarships and student aid costs	2 C.F.R. § 200.466
Selling and marketing costs	2 C.F.R. § 200.467
Specialized service facilities	2 C.F.R. § 200.468
Student activity costs	2 C.F.R. § 200.469
Taxes (including Value Added Tax)	2 C.F.R. § 200.470
Termination costs	2 C.F.R. § 200.471
Training and education costs	2 C.F.R. § 200.472
Transportation costs	2 C.F.R. § 200.473
Travel costs	2 C.F.R. § 200.474
Trustees	2 C.F.R. § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees must consult federal, State and District requirements when spending federal funds. For example, often the State's travel rules are more restrictive than federal rules, which mean the State's policies must be followed.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance and grant award notifications.

The state and/or District rules related to some specific cost items are discussed below. District employees must be aware of these State and District rules and ensure they are complying with these requirements.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2703 41.pdf (Audits)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2600 41.pdf (Bonded Employees)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/5110 40.pdf (Compensation Guides and Contracts)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2401 40.pdf (Gifts and Bequests)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/6710_32.pdf (Gifts)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/3600_40.pdf (Insurance Management)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/6709 42.pdf (Student Fees and Fines)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/6701_40.pdf (Student Solicitations/Fundraising Activities)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2402_37.pdf (Investment Earnings)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/3402 36.pdf (Special Use of School Vehicles) http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2804 40.pdf (Expenses and Reimbursements)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/6708 28.pdf (Awards and Scholarships)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2900 40.pdf (Student Activity Funds Management)

Appendix B – Administrative Procedures 2.804 Expense & Reimbursement Guidelines

Frequent Types of Costs

<u>Travel</u>: Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of a grant recipient. Such 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 selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written travel reimbursement policies. 2 C.F.R § 200.474(a).

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 District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the District's established policy. 2 C.F.R § 200.474(b).

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2804 40.pdf

Appendix B – Administrative Procedures 2.804 Expense & Reimbursement Guidelines

Appendix C – Federal Programs Travel Guidelines

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, IDEA, Federal Programs, Food Services, Pre-K, and CTE Departments can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program specific fiscal rules?
 - For example, the District may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.
- Is the proposed cost consistent with EDGAR?
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the **Curriculum, Finance, IDEA, Federal Programs, Food Service, Pre-K, and CTE Departments** should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for limited English proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the **Curriculum, Finance, IDEA, Federal Programs, Food Service, Pre-K, and CTE Departments** should review data when making purchases to ensure that federal funds to meet these areas of concern.

F. Federal Cash Management Policy/Procedures

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 C.F.R. Part 205. Generally, the District receives payment from the TDOE on a reimbursement basis. 2 C.F.R. § 200.305. However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses. 2 C.F.R. § 200.305(b)(9).

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, in any situation where the State draws from the G5 system in advance of the District using non-federal funds to pay vendors and/or employees, the only events and dates that are relevant are: 1) the date on which the federal grant funds are drawn down by the State; and 2) the date on which those funds are disbursed by the District. Any interest earned on those funds while on-deposit in the District's bank account after drawdown and before disbursal must be included in the interest earned calculation.

Payment Methods

<u>Reimbursements</u>: All reimbursements are based on actual disbursements, not on obligations. The District may initially charge federal grant expenditures to nonfederal funds.

The District Accountant I will request reimbursement for actual expenditures incurred under the federal grants twice monthly after each payroll is processed. Reimbursement requests will be submitted via ePlan. All reimbursements are based on actual disbursements, not on obligations.

All reimbursement requests are tied to specific set-asides and/or approved budget line items and must be approved prior to submission in ePlan.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures (See Appendix D – Payment Methods) and will make such documentation available for the TDOE review upon request.

Appendix D – Sample of Source Documentation

Appendix E – Payment Methods

Reimbursements of actual expenditures do not require interest calculations.

<u>Advances</u>: To the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures within 72 hours of receipt. The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will calculate interest earned on cash balances after 72 hours of receipt of advance payments.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual/average interest rate. The District may retain up to \$500 of interest earned per year. Within 30 days of the end of the quarter, the District will remit interest earned on U.S. Department of Education grants in excess of \$500 to Department of Health and Human Services Payment Management System, Rockville, MD 20852.

G. <u>Timely Obligation of Funds</u>

When Obligations are Made

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period. 34 C.F.R. § 200.71

The following table illustrates when funds are determined to be obligated under federal regulations:

If the obligation is for:	The obligation is made:
Acquisition of property	On the date which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding written commitment to obtain the services
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. part 200, Subpart E- Cost Principles.	On the first day of the project period.

34 C.F.R. § 75.707; 34 C.F.R. § 76.707.

Period of Availability of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. 34 C.F.R. § 76.707. This period of time is known as the period of availability. The period of availability is dictated by statute and will be indicated in the grant award letter. Further, certain grants have specific requirements for carryover funds that must be adhered to.

<u>State-Administered Grants</u>: As a general rule, state-administered federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the "Tydings Amendment" is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. 34 C.F.R. § 76.709. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

<u>Direct Grants</u>: In general, the period of availability for funds authorized under direct grants is identified in the grant award letter.

For both state-administered and direct grants, regardless of the period of availability, the District must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period unless an extension is authorized. 2 C.F.R. § 200.343(b). Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. 2 C.F.R. § 200.343(d). Consequently, the District closely monitors grant spending throughout the grant cycle.

Carryover

<u>State-Administered Grants</u>: As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to "carryover" any funds left over at the end of the initial 15 month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months. 34 C.F.R. § 76.709. Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

The district Final Expenditure Report (FER) is reconciled and submitted to TDOE via ePlan. Any carryover funds are automatically transferred to the current grant application to be budgeted prior to expending. For programs with carryover limitations (i.e. ESEA Title I, Title III) a carryover waiver request letter will be submitted to TDOE when the carryover exceeds the cap.

<u>Direct Grants</u>: Grantees receiving direct federal grants are not covered by the 12 month Tydings period, i.e. ESEA-Title VI, SRSA. However, under 2 C.F.R. § 200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. The District is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

The District will seek prior approval from the federal agency when the extension will not be contrary to federal statute, regulation or grant conditions and:

- The terms and conditions of the Federal award prohibit the extension;
- The extension requires additional Federal funds; or
- The extension involves any change in the approved objectives or scope of the project. 2 C.F.R. § 200.308(d)(2).

The district will provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. The Manager of Federal Programs, the CFO, and the Superintendent will make this decision, with the Superintendent making the final approval. Specific details per the awarding agency will be provided in a written notice from the Manager of Federal Programs.

H. Program Income

Definition

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant's period of performance. 2 C.F.R. § 200.80.

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. 2 C.F.R. § 200.80. Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income. 2 C.F.R. § 200.307.

Use of Program Income

The default method for the use of program income for the District is the deduction method. 2 C.F.R. § 200.307(e). Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the federal awarding agency or pass-through entity. 2 C.F.R. § 200.307(e)(1). The LEA may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must then be used for the purposes and under the conditions of the Federal award. 2 C.F.R. § 200.307(e)(2).

While the deduction method is the default method, the District always refers to the grant award letter prior to determining the appropriate use of program income.

The district does not receive program income.

III. Procurement System

The District maintains the following purchasing procedures.

A. <u>Responsibility for Purchasing</u>

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2800_40.pdf (Expenditure of Funds)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2805 41.pdf (Purchasing)

Appendix F - Madison County Purchasing Policies & Procedures

B. Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased. Note, if state or local procurement policy is more restrictive than the federal purchase methods below, districts must always follow the most restrictive policy.

Purchases up to \$10,000

T.C.A. Annotated (T.C.A.) allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures. T.C.A. § 49-2-203 (a)(3)(B) states, "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids."

JMCSS does follow the Madison County purchasing procedures. The district uses requisitions and purchase orders for procurement. Each department keeps paper copies, as well as electronic copies in Federal Programs. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff. The requisitions contain a description of the services to be performed and goods to be delivered, a location where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery. Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log.

Requisitions are entered by the secretary and or bookkeeper of each department. The approval process follows workflow. Purchase orders are complete when they are posted to the General Ledger by County finance staff. Contracts are written by either the vendor or the department in which the service occurs.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2805 41.pdf (Purchasing)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2806 41.pdf (Bids and Quotations)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2807 36.pdf (Requisitions)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2808 40.pdf (Purchase Orders and Contracts)

Purchases over \$10,000

T.C.A. Annotated allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures. Regarding purchases estimated to exceed ten thousand dollars (\$10,000), T.C.A. § 49-2-203 (a)(3)(A) states "All expenditures for such purposes may follow the prescribed procedures of the LEA's respective local governing body, so long as that body, through its charter, private act or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that, if a newspaper advertisement is required, it may be waived in case of emergency. If the LEA chooses not to follow the local governing body's purchasing procedures, all expenditures for such purposes estimated to exceed ten thousand dollars (\$10,000) or more shall be made on competitive bids, which shall be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in the event of an emergency. School districts that have a purchasing division may use a comprehensive vendor list for the purpose of soliciting competitive bids; provided, further, that the purchasing division shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement."

Regarding purchases less than ten thousand dollars (\$10,000) T.C.A. § 49-2-203 (a)(3)(B) states "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids."

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http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategori es/Documents/2807_36.pdf (Requisitions)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategori es/Documents/2808_40.pdf (Purchase Orders and Contracts)

<u>Competitive Proposals</u>: The technique of 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. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- 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;
- Proposals must be solicited from an adequate number of qualified sources; and
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients.

The district uses requisitions and purchase orders for procurement. Each department keeps paper copies, as well as electronic copies in Federal Programs. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff. The requisitions contain a description of the services to be performed and goods to be delivered, a location where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery. Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log.

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http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2806 41.pdf (Bids and Quotations)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2807 36.pdf (Requisitions)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2808 40.pdf (Purchase Orders and Contracts)

Appendix G –Bid Requirements

Appendix H –Invitation to Bid

<u>Architectural/Engineering Professional Services</u>: The District 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.

<u>Contract/Price Analysis</u>: A cost or price analysis is performed in connection with every procurement action in excess of \$150,000, including contract modifications. 2 C.F.R. § 200.323(a). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, Districts must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).

When performing a cost analysis, the District negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting,

the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. 2 C.F.R. § 200.323(b).

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http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2806 41.pdf (Bids and Quotations)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2807 36.pdf (Requisitions)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2808_40.pdf (Purchase Orders and Contracts)

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or
- After solicitation of a number of sources, competition is determined inadequate.

<u>Educational Consultants and Similar Services</u>: In order to procure educational consultants in accordance with T.C.A. § 12-4-106(a)(1), the procurement must be paid with state or local funds:

Contracts by counties, cities, metropolitan governments towns, utility districts and other municipal and public corporations of the state, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services and similar services by professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

The district uses requisitions and purchase orders for procurement. Each department keeps paper copies, as well as electronic copies in Federal Programs. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff. The requisitions contain a description of the services to be performed and goods to be delivered, a location where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery.

Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log.

Requisitions are entered by the secretary and or bookkeeper of each department. The approval process follows workflow. Purchase orders are complete when they are posted to the General Ledger by County finance staff. Contracts are written by either the vendor or the department in which the service occurs.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2805 41.pdf (Purchasing)

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<u>http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/</u> <u>Documents/2808 40.pdf</u> (Purchase Orders and Contracts)

Cost Price Analysis and Sole Source

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.

C. <u>Purchase Cards</u>

The District uses purchasing cards which are issued by the Madison County Finance Department. Cards are issued to administrative positions and other positions as requested and approved by appropriate supervisors/administrators and the Madison County Finance Department. Maximum amounts that can be charged are set for each department with the maximum amount for any one department being \$200,000. All purchases are approved by purchase order prior to ordering the item or service. Examples of types of items purchased with the purchasing card include hotel reservations, registration fees, supplies and equipment. Items explicitly prohibited from purchase include, but are not limited to, withdrawals from ATMs, dating and escort services, liquor marts, bail/bond payments, pawn shops, timeshares, betting services and savings bonds. Madison County Finance Department personnel monitor card purchasing limits and prohibit specific purchases by setting restrictions via a secure internet website. Purchase orders and invoices must be maintained to support the purchase. Card statements are reviewed by the Madison County Finance Department and the office which initiated the purchase. Any discrepancies are discussed and reconciled as needed.

The Federal Programs Department has access to one purchase card.

Appendix I – Guidelines and Cardholder Agreement

Appendix J – Individual Cardholder Agreement

D. Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R § 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

EDGAR further requires the following to ensure adequate competition.

Geographical Preferences Prohibited

The District must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Prequalified Lists

The District 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 District must not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

The District must ensure that all solicitations 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 it is impractical or uneconomical to make a clear and accurate description of the technical requirements, 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 identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. 2 C.F.R § 200.319(c).

E. Federal Procurement System Standards

Avoiding Acquisition of Unnecessary or Duplicative Items

The District must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives, and another other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with federal funds. http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/

Documents/2805_41.pdf (Purchasing)

Use of Intergovernmental Agreements

To foster greater economy and efficiency, the District shall enter into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2805 41.pdf (Purchasing)

Use of Federal Excess and Surplus Property

The District shall consider the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2805 41.pdf (Purchasing)

Debarment and Suspension

The District shall 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.

The District may not subcontract with or award subgrants to any person or company who is debarred or suspended and is required to check for excluded parties at the System for Award Management website before any procurement transaction. This list is located at: <u>http://www.sam.gov/</u>.

The Madison County finance department verifies vendors and licensing information and documentation before a contract is awarded.

Maintenance of Procurement Records

The District must maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred.

Madison County Government and the District follow records maintenance and retention guidelines provided by The University of Tennessee County Technical Assistance which is found at

http://ctas-eli.ctas.tennessee.edu/reference/accounting-purchasing-and-other-miscellaneous-records

Time and Materials Contracts

The District may use a time and materials type contract only if (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the District is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the District must assert a

high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The district does not do time and materials contracts.

Settlements of Issues Arising Out of Procurements

The District alone is 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 District of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Appendix K -Procedure for Bid Protest & Formal Hearing

Protest Procedures to Resolve Dispute

The District shall maintain protest procedures to handle and resolve disputes relating to procurements and, in all instances, disclose information regarding the protest to the awarding agency.

Appendix K -Procedure for Bid Protest & Formal Hearing

F. Conflict of Interest Requirements

Standards of Conduct

In accordance with 2 C.F.R. § 200.18(c)(1), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

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 officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/5605_39.pdf (Staff Gifts and Solicitations) http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2809 38.pdf (Vendor Relations)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/5601 41.pdf (Conflict of Interest)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2809 38.pdf (Conflict of Interest Disclosure Statement)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/1107 42.pdf (Board Member Conflict of Interest)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/1108_40.pdf (Nepotism)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/1106_43.pdf (Code of Ethics)

Organizational Conflicts

Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 C.F.R § 200.318(c)(2).

Not Applicable.

Disciplinary Actions

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/5501 42.pdf (Complaints and Grievances)

Mandatory Disclosure

Upon discovery of any potential conflict, the District shall disclose in writing the potential conflict to the federal awarding agency in accordance with applicable federal awarding agency policy.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2809_38.pdf

In the case of potential conflict, the district will notify the applicable federal awarding agency.

G. Contract Administration

The District shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders 2 C.F.R. § 200.318.

District policy 2.808 states: All purchases made by the school system shall be by purchase order or formal contract, which has been approved by the director of schools and staff as assigned by the director of schools and no purchase shall be made nor payment approved unless covered by an approved purchase order. Employees shall sign statements when purchases are made. Those statements which have not been signed by employees will not be honored.

Purchase orders will include the following essentials:

- 1. The characteristics and the quality standards of the item required;
- 2. Function ability;
- 3. Serviceability of the products;
- 4. A firm, quoted, net delivered price;
- 5. The quality and extent of service to be provided by the vendor; and
- 6. Signature of purchasing agent.

The director of schools ensures that the specifications for the purchases of all supplies and commodities is met.

Contracts shall be made only with responsible suppliers with the following considerations:

- 1. The supplier has the potential ability to perform successfully under the terms and conditions of a proposed procurement;
- 2. A system for contract administration shall be maintained to assure supplier conformance with terms, conditions, and specifications of the contract or purchase order, and to assure adequate and timely follow-up of all purchases;
- 3. Contracts shall contain such provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where suppliers violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
- 4. All contracts, including those of individual schools, will meet all requirements of state and federal laws, rules, and regulations.

IV. Property Management Systems

A. Property Classifications

<u>Equipment</u> means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$5,000. 2 C.F.R. § 200.33.

<u>Supplies</u> means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 C.F.R. § 200.94.

<u>Computing devices</u> means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. § 200.20.

<u>Capital assets</u> means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 C.F.R. § 200.12.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2702 41.pdf

B. Inventory Procedure

Inventory is received at our Central Office and at individual schools. When received at Central Office, our warehouse manager receives and signs for items. The warehouse manager logs and delivers the items to the appropriate department where the items are signed for by the department staff. The receiving log is kept in the receiving warehouse and includes the following data: Date, Courier, Sent To, Sent By, Quantity (number of boxes), Purchase Order Number, and Picked up by. The department inspects the property to verify condition and consistency with the purchase order and invoice. If received at an individual school, the school office staff receives and signs for the property and verifies the condition and consistency with the purchase order and invoice.

Department staff and school staff, as applicable, enters the inventory in the on-line district property management system.

Technology items are tagged by technology staff and logged into the district property management system (WASP). The district technology staff is responsible for configuring or installing certain types of equipment and/or computing devices.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2702 41.pdf

C. Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained:

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title;
- Acquisition date and cost of the property;
- Percentage of federal participation in the project costs for the federal award under which the property was acquired;
- Location, use and condition of the property; and
- Any ultimate disposition data including the date of disposal and sale price of the property.

District Inventory Process

- Property that is sold Funds recouped are returned to the program from which they were purchased. When items are sold, the amount from the sale is returned to the appropriate funding source.
- Property that is lost or stolen When items are reported as lost or stolen, an investigation is conducted and police and insurance claim filed when appropriate. A thorough investigation occurs to recover the lost or stolen item. In the event that it cannot be found, a police report is filed.
- Property that cannot be repaired If the property has usable parts, they are retained for repairing other equipment. When items cannot be repaired, they are removed from inventory and discarded.
- The district completes a physical inventory of property every two years. The physical inventory is completed by the Technology Department at each school. The Federal Programs Department completes inventory once in the fall and once in the spring. All items are scanned with a barcode tag and audited through the property management system (WASP). If items are missing, then a thorough search is conducted until found or reported as stolen.

Appendix L - Federal Programs Inventory

D. <u>Physical Inventory</u>

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

A physical inventory is conducted annually by the Federal Programs Department in the fall by school and department staff of non-consumable items under their care and posted to the district online property management system and updated through the year as items are acquired or removed. The posting of items acquired will be include a funding source when purchased or location source when coming from within the district. When items are removed, the online listing is changed to indicate the new location and will be removed the following annual physical inventory. The online inventory is audited by district staff annually.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2702 41.pdf

Appendix L - Federal Programs Inventory

E. Property/Equipment Maintenance

In accordance with 2 C.F.R.313(d)(4), the District maintains adequate maintenance procedures to ensure that property is kept in good condition.

District property is to be used for district purposes only. Personal use of district inventory is not permitted. If any item is broken, a work order is submitted to appropriate department for repair.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/3300 41.pdf

F. Lost or Stolen Items

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Equipment that is stolen is reported to local jurisdiction of law enforcement.

District vehicles and computing devices are allowed to be taken off-site. Each Principal / District Department Administrator is responsible for maintaining a check list of such property assigned to an employee under their administration. The staff is responsible for safeguarding property in their care. Vehicles have government tags registered to the District and are numbered by the Transportation department. Computing property is tagged by the Technology department with a barcode tag identifying the item as property of the school district. Equipment that is lost or stolen is to be reported to the Principal/District Department Administrator as soon as the item is noticed missing. A thorough search is conducted, and when appropriate, a police and insurance report are filed.

Annual agreements are signed at individual schools and staff is responsible for safeguarding said property for federal programs property.

Appendix M – Acceptable Use Policy

Appendix N– Acceptable Use Policy – Federal Programs

G. Use of Equipment

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the District will not encumber the property without prior approval of the federal awarding agency and the pass-through entity. When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

Redistribution of equipment and supplies are processed through the department of purchase (i.e., Federal Programs, Special Education, Technology, Academics, etc.) based on the specific funding rules and regulations and the areas of need in the district.

If items purchased with federal funds are no longer needed by the original federal program, then those items are offered to other programs supported by other federal awarding agencies.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/3205 42.pdf

H. Disposal of Equipment

When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the shall contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

When items are determined to be surplus, they are moved to a central location for auction if they have any value. The Operations Department coordinates the auction through an auction company selected through the county bid process. Proceeds from the auction are posted to the appropriate funding source.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2403 40.pdf

V. Written Compensation Policies

A. Time and Effort

Time and Effort Standards

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. C.F.R. § 200.430(i)(1). In addition,

employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching must also keep time and effort documentation. 2 C.F.R. § 200.430(i)(4).

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with 2 C.F.R. § 200.430(i)(1), these records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally assisted and all other activities compensated by the District on an integrated basis;
- Comply with the established accounting policies and practices of the District and
- Support the distribution of the employee's salary or wages among specific activities or costs objectives.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. 200.430(i)(1)(viii).

Time and Effort Procedures

In order to meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below. The type of form depends on the number of cost objectives that an employee works on.

A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are descried and from which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. 2 C.F.R. § 200.28.

All employees who work on a single cost objective must complete a semi-annual certification. The semi-annual certification must be:

- 1. Completed at least every six (6) months;
- 2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
- 3. Reflect an after-the-fact distribution of the actual activity; and
- 4. Account for the total activity for which each employee is compensated.

All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity;

- 2. Account for the total activity for which each employee is compensated;
- 3. Are prepared at least monthly & coincide with one or more pay periods; and
- 4. Are signed by the employee.

The JMCSS district uses semi-annual certifications. The supervisor of the responsible department or the principal of the school for which the employee is assigned, along with the department director, will sign the semi-annual certifications. These are completed at the end of each semester.

Appendix O – Semi-Annual Certification Sample

Reconciliation and Closeout Procedures

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates for interim accounting purposes, EDGAR requires recipients to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. Additionally, the recipient must have a system of internal controls to review after-the-fact interim charges made to a federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

The Madison County Finance Office in cooperation with the district finance office prepare a monthly Statement of Expenditures and Encumbrances. The statement is distributed to the department secretaries/bookkeepers for review. This is done at least quarterly, but most often monthly. Adjustments are made immediately to the state, district, and county budgets.

All department budgets are reconciled with the district and county budgets at the end of each fiscal year. All time and effort certifications are reviewed bi-annually for accuracy and appropriate signatures and dates.

Employee Exits

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S200_42.pdf - Separation Practices for Tenured Teachers

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S201_39.pdf - Separation Practices for Non-Tenured Teachers

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S202_41.pdf- Separation Practices for Non-Certified Employees

B. Human Resources Policies

The District shall have human resource policies which at least cover

(1) how employees are hired (2 C.F.R. § 200.430(a)(2));

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/D ocuments/5106_41.pdf- Application and Employment http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/D ocuments/5107_35.pdf - Orientation and Probation

(2) the extent to which employees may provide professional services outside the District (2 C.F.R. § 200.430(c)); <u>http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/D</u> ocuments/5607 37.pdf- Non- School Employment

(3) the provision of fringe benefits, including leave and insurance, (2 C.F.R. § 200.431)); http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/D ocuments/5300_29.pdf- Short Term Leave of Absence

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S301_42.pdf- Emergency and Legal Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S302_42.pdf-Sick Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S3021_11.pdf - Sick Leave Bank for Professional Employees

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documen ts/53022_2.pdf - Sick Leave Bank for Education Support Personnel http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documen ts/5303_42.pdf - Personal and Professional Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S304_42.pdf - Long Term Leaves of Absence

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S305_42.pdf- Family and Medical Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S306_41.pdf - Military Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S307_41.pdf - Physical Assault Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S308_29.pdf - Sabbatical Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S309_37.pdf - Legislative Leave

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S310_37.pdf - Vacations and Holidays

(4) the use of recruiting expenses to attract personnel (2 C.F.R. § 200.463(b));

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/S801_42.pdf - Recruitment and Selection

(5) reimbursement for relocations costs. 2 C.F.R. § 200.464. NA

VI. Record Keeping

A. <u>Record Retention</u>

The District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with federal program requirements. 34 C.F.R. §§ 76.730-.731 and §§ 75.730-.731. The District also maintains records of significant project experiences and results. 34 C.F.R. § 75.732. These records and accounts must be retained and made available for programmatic or financial audit.

The U.S. Department of Education is authorized to recover any federal funds misspent within 5 years before the receipt of a program determination letter. 34 C.F.R. § 81.31(c). Consequently, the District retain records for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records

will be trained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 C.F.R. § 200.333.

Federal records for JMCSS are kept for 5 years. When records are no longer needed, they are shredded for disposal.

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2701 38.pdf

B. Collection and Transmission of Records

Records are kept both electronically and as paper copies within each department in the JMCSS district. Records are transmitted electronically via ePlan to the state for monitoring, as well as provided physically when requested.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ Documents/2701 38.pdf

C. Access to Records

The District provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

D. Privacy

End users who interface with sensitive information are required to change passwords frequently. Training for all employees on FERPA will be on My Benefits Channel. This online training will be required for all employees. Also, when any request is made for a copy of a school record, the individual must fill out the Request of Records form, show their driver's license and/or photo ID, and social security number.

JMCSS Board Policy:

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/Section 12.pdf - Student Records

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/Second Student Records Student Records

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/Section 128.pdf - Media Access to Students

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documents/Section and Correction

<u>http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/Documen</u> <u>ts/1407_44.pdf</u> - School Board Records (Viewing Staff Records)

http://images.pcmac.org/Uploads/TennesseeSBA/TennesseeSBA/Departments/DocumentsCategories/ <u>Documents/6601 39.pdf -</u> Student Records Annual Notification of Rights

VII. Subrecipient Monitoring

In the event that the District awards subgrants to other entities, it is responsible for monitoring those grant subrecipients to ensure compliance with federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a subgrant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected.

Not Applicable

VIII. Frequently Asked Questions

IX. Legal Authorities and Helpful Resources

The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the federal grant.

- Education Department General Administrative Regulations (EDGAR)
 - http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 200)
 - <u>http://www.eC.F.R..gov/cgi-bin/text-</u> idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5
- USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 3474)
 - <u>http://www.eC.F.R..gov/cgi-bin/text-</u> idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/eC.F.R.browse/Title02/2C.F.R.3474 main_02.tpl
- > Federal program statutes, regulations, and guidance
 - http://www.ed.gov/

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- <u>http://www.tennessee.gov/education/districts/index.shtml</u>
- State regulations, rules, and policies
 - TN State Board of Education Rules and Regulations
 - http://www.tn.gov/sbe/rul_reg.shtml
 - TN State Board of Education Policies, Standards, and Guidelines
 - http://www.tn.gov/sbe/policies.shtml
- District regulations, rules, and policies
 - <u>http://tennesseesba.schoolinsites.com/?DivisionID=19438&ToggleSideNav=DivisionOnly</u>
- Organizational Chart
 - Appendix P

MADISON COUNTY FINANCE DEPARTMENT INTERNAL CONTROL POLICY JACKSON-MADISON COUNTY SCHOOL SYSTEM

Leave Time Recordation Procedures

1. Vacation days are on a sliding scale based on the number of years an employee has been with the School System.

2. Employees accumulate one sick day per month.

3. Earned and used sick and vacation days are tracked and recorded by the Finance Department (in Zortec).

4. Earned and used sick and vacation time are depicted on employee pay stubs.

Check Writing Process

The check writing process is designed to create a separation of duties. The procedure is listed below. 1. A check is created in Zortec (payroll) or FlexGen (accounts payable). We will call the person creating this the 'sender.'

2. The check(s) are then sent electronically to another program, called CheckEase, for printing.

3. The person using CheckEase is called the check 'printer.' At this point, the appropriate signature disk is inserted into the computer. The three required signatures are kept on disk and are locked in storage each day. The disk is only inserted into the computer until it is needed. Without the disk, there would be no signatures printed on the disk. In addition, the person printing checks must load check stock into the printer. The check stock is also locked up.

4. After the checks have been printed, there are several things that must be done:

a. The check sender will record the check numbers and the check control numbers in the appropriate notebook and sign it.

b. After this, the check printer will also verify and sign it.

c. Finally, a third signature is required (the check verifier), in order to verify the information recorded. The checks printed are compared to a report that CheckEase generates after each check run.

5. Checks are then stuffed into envelopes in order to be mailed. Any checks left overnight in the Finance Office are locked up.

Payroll Procedures

1. The Finance Director is in charge of payroll.

2. JMCSS employees are paid on the 15th and last day of each month.

3. Seven days prior to payroll, the JMCSS Human Resources department is asked to submit any changes they have for payroll.

4. Each timesheet is monitored and checked for accuracy and the employee's hours are entered into Zortec, the Local Government Corporation payroll software program.

5. A summary report is printed and maintained and it and the total amounts of money to be paid are sent to the county trustee.

6. A file is downloaded and deposited into the bank for employees with direct deposit. This file is recorded on a disk and maintained as a record of the transaction.

7. Pay Stubs are loaded onto our website (https://jmcsstn-k12.ess.openrda.net/user/login) and employee can access their pay stubs using their unique user name and password combination. Any pay checks are taken to the Central Office or held at Finance for pickup. The detailed payroll process is listed below:

8. The detailed payroll process is listed below:

The School Payroll is managed using the Zortec system.

Before balancing, the payroll must be setup. Payroll is calculated, then balanced. 7 days prior to the payroll date, balancing must be completed. All changes must be entered and updated prior to balancing. To balance in Zortec you must do the following:

Go to Payroll Information

> Go to Change Employee Information

>Make any necessary changes

>Balance

After Balancing, misc. payrolls are entered (exception payrolls).

Next, information from Calendar is linked to payroll (leave and payroll).

The Excess Leave Report is ran and checked for any problems with leave. The report is corrected if necessary, and then linked into Payroll. Payroll is recalculated. A Standard Register is ran before checks are printed and must be gone over thoroughly and corrected before continuing.

The Payroll Summary Report is ran to verify G/L account numbers.

The checks are 'sent' to the check printing program (CheckEase) to be printed. This process will be discussed later.

Direct Deposit slips are printed.

The following reports must be generated:

1. Complete check register

- 2. Standard register with check #s
- 3. Payroll register
- 4. G/L Distribution report
- 5. Deduction register

6. Direct Deposit report

After this process has been completed, payroll is updated, and the 2 following reports are generated.

1. Check register by fund

2. Leave report

Accounts Receivable Procedures

1. Upon receipt, they are properly recorded in the receipt book.

2. Checks or monetary payment either in person or by mail is receipted upon collection.

3. All receipts are designated to the appropriate fund account number and deposited with the County Trustee.

4. The Trustee in turn issues a receipt for the transaction which is returned to the Finance Office.

5. The receipts are posted from the Trustee's month end report and then reconciled.

Purchasing Procedures General Information

1. A designated person is authorized to make purchases and authority to determine that the item is necessary and the quantity requested is appropriate.

2. Prenumbered purchase orders are used for every purchase except for utilities, communication, and fuel.

3. Prenumbered purchase orders are approved by the finance officer or his designee to indicate that there is sufficient balance in the unexpended appropriation to allow the expenditure and to indicate that the expenditure is in accordance with the purpose of the appropriation.

Purchasing Procedures Competitive Bids

1. Madison County has a private act that requires public advertising and competitive bidding for any purchase in excess of \$10,000.

2. Requests for bids are placed by an ad in the local newspaper a minimum of 7 days prior to bid opening.

3. On the specified time and date, bids are opened by the Finance Director or his designee.

- 4. Department Heads make recommendations to the winning bid.
- 5. The County then approves the lowest bid if it follows all the required bid specifications.
- 6. When a contract is not awarded to the lowest bidder, the reason is documented.
- 7. Accounting reports for purchasing are prepared using the appropriate account software.
- 8. All invoices are taken to the Finance Office with the following information being required:

a) Signature of person receiving the purchase.

b) An account number from which payment will be assigned.

c) The item requested for purchase is pulled from the vendor and attached to the invoice.

d) All account numbers are checked for accuracy.

e) Invoices are entered into the computer by name, status and address.

f) An invoice listing is then created to check for errors.

9. If there are no errors present, the payment process begins. The correct fund number is selected for processing the check.

Cash Disbursements

1. Checks are printed using the CheckEase software. Before the checks are sent to CheckEase, the sender assigns the check number for the checks. The sender keeps a log of all checks sent in order to keep the checks in sequential order.

2. Both checks and documentation are submitted to the designated officials for examination and signature.

3. If an invoice is cancelled, the following should be written on the invoice:

a) Check number

b) Amount

c) Payment Date

d) Account to be charged before the checks are submitted for approval.

4. All checks issued require three signatures: the Chairman of the School Board, School Superintendent, and the Finance Director.

5. The General Ledger is updated to reflect the expenditure.

6. Supporting documentation is filed alphabetically by vendor or by pay date.

Budgeting Procedures

1. The Madison County Budgeting procedure involves developing a consolidated budget, adopting a tax rate and appropriation resolution to fund that budget and specifying a deadline by which these actions must be taken.

a) No later than March 31, the Finance Director submits forms to department heads upon which budget requests are entered.

b) Each form is a three column form that includes last years actual budget, current year to date budgets, and proposed estimated budget column for the next fiscal year by line item.

c) Departments fill out budget requests and submit them to the School Board. Once the School Board has approved the budget request, it is forwarded to the Finance Office for Budget Committee approval.

d) The Budget Committee holds a series of meetings by which to develop a budget document to submit to the full County Commission for review, modification, and approval.

e) The County Commission, after public hearings and notice, adopt a budget, tax rate, and an appropriation resolution.

f) In the event the budget is not adopted by July 1st of the new fiscal year, the county operates on a monthly allotment, based on the previous year's approved budget, until a consolidated budget is approved locally.

g) The approved budget (certified copy) is sent to the State of Tennessee Comptroller's Office for approval and the new fiscal year's budget is finalized.

2. Budget amendment requests, as deemed necessary and appropriate, are made throughout the year by departments as needed and must be approved by the School Board.

3. These proposed amendments are turned into the Finance Office and presented to the Financial Management Committee, and then ultimately, to the County Commission for approval.

4. Once approved, the amendments are filed in the Finance Office by month of approval.

Month End Closing

1. The Finance Office uses the bank statement to reconcile to the Trustee's monthly warrant listing.

2. Checks are then reconciled.

3. The Finance Office then enters the month end Trustee's report. The office utilizes Local Government Data Processing software to create a balance sheet, account analysis, and a statement of expenditures and encumbrances.

4. The Trustee's report is utilized to run a balance sheet that allows the office to insure that funds are all in balance.

5. An account balance report is generated, which includes beginning and ending month by account number.

6. These reports allow the Finance Office to fill out the County General Balance Sheets.

7. After the Balance Sheets are prepared, reports are generated for each office/department.

Pre-Year End Closing

Madison County uses the Local Government Data Processing software to close the year's books.
 The year end closing occurs at the end of June.

3. First, the Finance Office reviews the June balance sheet and expenditure report to determine if there are over expended expenditure accounts and payroll tax and deduction accounts with balances due to be paid.

4. Next, if any mistakes are discovered that have occurred during the fiscal year, they are corrected as journal entries are made to accounts for all current year payables, receivables and encumbrances.

5. Outstanding accounts payables and receivables are identified, and decisions are made to process them this year or to carry them over to the next fiscal year.

6. As appropriate for schools, payroll checks are run for 11 and 12 month teachers. Accrued payrolls use account number 21200 as the credit amount.

7. Any reserves other than undesignated fund balance are entered as journal entries and processed into the general ledger. If reserves are to be set up as undesignated fund balance the appropriate reserve accounts are credited by account number.

8. After all entries have been entered and processed, the Finance Office prints a balance sheet and account analysis to make a final check prior to closing the month of June.

9. At this point, the budget can be updated to year to date.

10. Outstanding purchase orders are identified and verified. Then a sheet of outstanding purchase orders are prepared and their validity verified.

11. Any outstanding purchase orders that will not be fulfilled are removed.

12. June liquidated purchase orders are posted to the current fiscal year. Then the statement of expenditures and encumbrances are compared to the totals on the current PO listing in account descending order. The totals should match the Statement of Expenditures and Encumbrances. The remaining purchase orders are posted to July of the next fiscal year.

13. Checks are run for purchase orders dated June.

Purchasing Year End

1. Prior to closing the month of June, the Year-End process must be completed.

2. Year-end totals are updated as year-to-date. A new budget year is established beginning July 1_{st} and ending June 30th of the next fiscal year.

3. The next step is to prepare a PO balancing report to develop a list of all general ledger accounts with outstanding encumbrances. This report includes the general ledger account number, outstanding purchase order amounts, year-to-date encumbrances, future posted encumbrances and the difference between general ledger and purchase order files.

4. All current year purchase orders that have not been fully liquidated are rolled to the prior year PO file.

5. All prior year purchase orders are paid in July before the General Ledger Year-End closing is completed.

General Ledger Year End

1. Before closing the year, the Finance Office uses LGDPC software to close the month of June.

2. All entries for June must be posted prior to closing.

3. June is closed like any other month end.

4. A daily backup is made before the year end closing begins. It is filed as Mid-Closing Backup.

5. The LGDPC software is then utilized to close the year. The step are listed below:

a) The staff runs a transaction balance report that compares the Posted Transaction File to the General Ledger File. Anything out of balance can be identified. Once the balance sheet and trial balance is correct, the system will use the general ledger total to close.

b) The second step is to build closing fund balance accounts and if appropriate, sub fund balance accounts. This may be done by individual cost centers as well.

c) Summary reports and journals are run, including the General Journal, Budget Journal, and Cash Receipts Journal.

d) Account Reports are then ran which include Trial Balance, Control Accounts (for Audit use), and an YTD Account Analysis.

e) The software then allows the staff to build audit files and control records (STATEPC and YTD audit files).

f) The fiscal year is then closed and a beginning balance is calculated that does the following:

i. Clears assets, liabilities, and equities.

ii. Recalculates the beginning balance for the new fiscal year.

iii. Zeroes out the revenues and expenditures.

iv. Moves future posted amounts and reads the PO file for CAFR.

v. It posts beginning balances and builds control account records and a Year-End Posting Journal will print showing all of the computer generated entries that were posted during this step.

vi. A trial balance and balance sheet are then printed for the new fiscal year. Only the beginning balances are shown on this report (No July entries are shown).

6. The Year-to-Date Audit File is then loaded and stored in a folder to be retrieved for the auditor.

Physical Storage

We are required to keep payroll records forever. Everything else, we are required to keep 5 years. However, this office keeps bids for 7 years.

Purchasing Cards

The JMCSS uses 2 purchasing cards (also called credit cards). One is used for travel and the other is used to pay vendors. The cards are kept at the Finance Department, locked up. They can only be used by assigned purchasing representatives in the Finance Department.

Update: The following departments have been added to the Purchasing Card Program: Testing, Superintendent's Office, Technology, Operations, School Board, and Research and Accountability. We have issued only one card per department. Each department head and secretary receives a copy of the guidelines and cardholders agreement.

*At the district level, purchasing cards are housed in each department.

Also, each department head must sign a copy of the Cardholder agreement, which describes in detail the cardholder's responsibilities, privileges, and procedures as to the use of the purchasing card. A copy of the signed agreement is kept on file in the Finance Department. These agreements maintain the safety of the program to the school system and the county.

Reconciling to Trustee

Bank statement is downloaded from bank and converted into a spreadsheet. Checks are cleared in both Zortec and FlexGen. An outstanding list as of the last day of the month is printed and the total is subtracted from the Trustee's end of the month balance. This amount should equal the cash amount from the Trial Balance sheet for the month. Any variance must be explained and corrected. Once completed, these reconciliations are reviewed by the Finance Director for approval monthly.

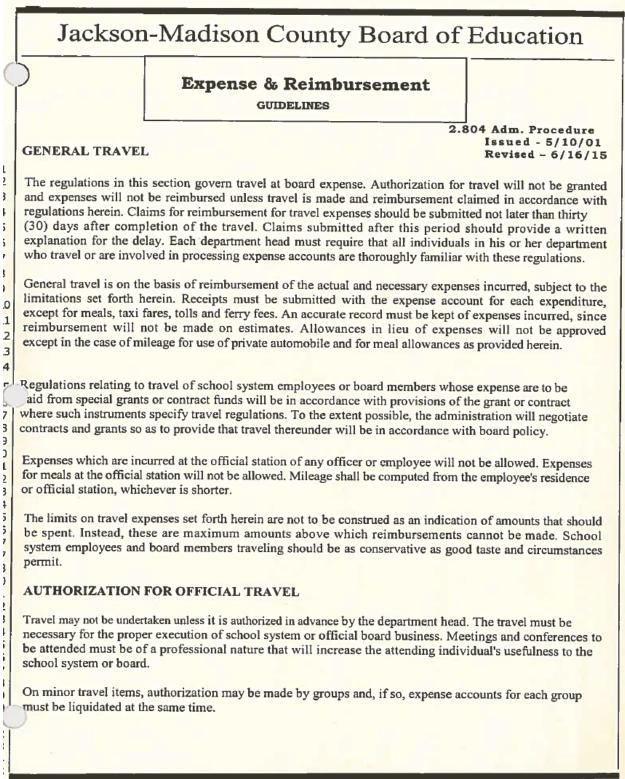
Internal Departmental Audit

Monthly statements of revenue and expenditures as well as account analysis statements are reviewed by school system departmental supervisors/administrators to ensure accuracy of financial reporting. Any discrepancies are immediately addressed by the responsible departmental supervisor/administrator with the help of the Madison County Finance Department so that compliance in reporting is maintained.

Finance Office User Rights

The Madison County Finance Department uses three software programs. Zortec is used for School payroll, NextGen is used for General Ledger, and FlexGen is used for County Payroll, Accounts Payable, and all expenditures. This software is on the Finance Department's server. Each user, for both systems, must have a user name and password.

Appendix B – Administrative Procedure 2.804 Expense & Reimbursement Guidelines



TRANSPORTATION EXPENSE

Transportation for persons traveling singly should be by common carrier (air, train, bus) whenever practical. Advantages must be taken of round-trip rates when available. Travel must be by the most direct route possible and any individual traveling by an indirect route must bear the extra expense occasioned thereby.

AIR TRAVEL

The use of airplane travel is recommended when the cost of the employee or board member's time is an important factor and when the trip is so long that other methods of travel would increase the subsistence expense. Accommodations should be limited to economy class. If more expensive accommodations are required, an explanatory notation must be made on the request for reimbursement. Advantages must be taken of round-trip fares when available. The traveler's copy of the airline ticket or an acceptable receipt must be submitted with the expense account.

TRAIN TRAVEL

A receipt for the transportation fare (the railroad's ticket envelope with the fare shown on the outside will suffice) must be submitted with the expense account. When Pullman accommodations are used, the Pullman ticket stub must also be submitted with the expense account.

AUTOMOBILE/VEHICLE TRAVEL

Automobile/vehicle transportation may be used to save time when common carrier transportation cannot be satisfactorily scheduled to cover a number of outlying places, or to reduce expenses when two or more employees are making the trip.

Board Vehicle - If necessary or economy requires travel by vehicle, use should be made of a board-owned vehicle whenever one is available. Employees who have board-owned vehicles assigned to them are expected to use these vehicles on all Board of Education official travel.

Personal Vehicle – Department head authorization is required in advance for the use of personallyowned vehicles in the performance of daily duties. Unnecessary expenses which result from the use of a vehicle for reasons of personal convenience will not be allowed.

When a board-owned vehicle is not available, and necessity or economy requires travel by vehicle, use of a personally-owned vehicle will be authorized.

Reimbursement for the use of personally-owned vehicles is at the standard mileage rate. Reasonable tolls
 and ferry fees will be allowed where necessary. Necessary airport parking will be allowed provided that
 airport parking fees do not exceed normal taxi fare to and from the airport; receipts must be furnished.
 Necessary hotel parking fees will be allowed; receipts must be furnished.

COMMON CARRIER AND TAXI FARES

44 If travel is by common carrier or taxi, fares necessary to transport the traveler to and from the airport or 45 station, or between carriers, will be allowed. No receipt for this expense will be required, but each fare must 46 be individually listed on the expense account. After arrival at destination, taxi fares for local 47 transportation will not be allowed when regularly established streetcar, bus, or subway service is 48 available, unless the necessity of the use of a taxi is explained on the expense account.

CAR RENTAL AT DESTINATION

Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation, or it is the only practical means of transportation. If it is known in advance that a rental car will be required at destination, this fact should be indicated and approval requested from the department head.

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Personal accident insurance afforded by car rental agencies which provides personal benefits for the renter is a personal expense of the renter and is not reimbursable by the board.

10 SUBSISTENCE EXPENSE

11 No reimbursement will be made for the expense of meals or lodging incurred within the limits of the 12 employee's official station or place of residence. Conservatism is expected in the choice of hotel or motel 13 accommodations. 14

15 Reimbursement for actual expense for lodging will be made on the following basis: 16

- State rates will be allowed for lodging.
- Incidentals intended to include miscellaneous costs associated with travel such as tips for baggage handling, valet parking, etc. will be allowed at state rates.
- Resort and convention hotels will be given special consideration provided written request is made in advance to the director of schools or his/her designee.

21 A meal allowance will be provided for travel when overnight stay is necessary. For fractional days in travel 22 status, the amount will be prorated. State rates will be allowed for meals. 23

OTHER EXPENSES

2.11 Expenditures for entertainment (employee or others), laundry, theater, etc., are personal charges and will not 27 be allowed. 28

29 Charges for long distance telephone calls on official business will be allowed provided a statement is 30 furnished indicating the date, name, and location called. Fees charged for internet access used by the 31 employee for business purposes while attending a conference will be reimbursed at the rate charged by the 32 hotel/provider. Supporting documentation must be attached to the reimbursement request.

Registration fees for approved conferences, conventions, seminars, meetings, etc., will be allowed including 34 cost of meals provided advance approval is secured from department head and/or the director of schools. No 35 separate reimbursement for the corresponding meal will be allowed when the meal is provided as part of the 36 conference, convention, etc. 37

TRAVEL ADVANCES

40 A request for temporary travel advance should be made by department head to central accounting office 41 at least one week (whenever possible) prior to departure date, based on the estimated expenditures for the 42 period of travel. 43

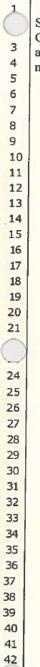
44 No advance less than \$100.00 will be made. Upon return, the employee should submit an expense claim detailing his actual expenditures. If the expenses were greater than the advance, central accounting will 45 issue a payment to the employee covering the difference. If the advance issued the employee prior to travel is greater than actual expenditures, the difference will be returned to central accounting.

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Page 3 of 4

OUT-OF-STATE REIMBURSEMENT RATES

School system employees and board members are to utilize the U.S. General Services Administration CONUS (Continental United States) rates provided by the federal government. Lodging and meals at resort and convention hotels will be given special consideration for cost allowance provided a written request is made in advance to the director of schools or his/her designee.



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Appendix – C Travel Guidelines for Federal Programs

Jackson-Madison County Schools Federal Programs & Grants Department

> Jackson-Madison County Schools Federal Programs & Grants Department

Guidelines for Professional Development Requests

All professional development requests must be submitted far enough in advance for adequate consideration of the need for the professional development as well as the availability of adequate resources and funds. It can take as many as 20 school days to process the paperwork and obtain the appropriate approvals, including encumbering the funds at the Madison County Finance Department.

Basic Guidelines

- Submit the PD Justification and Budget Forms together at least 20 days BEFORE registration deadline.
- "TBA" will not be accepted for any details, including names of participants, location, dates, etc.
- Sign-in sheets must be submitted after local sessions even if stipends are not paid.
- Evaluations must be administered after all local PD sessions.
- A summary of the evaluations must be submitted to the Federal Programs Office.
- Stipends cannot be paid until all paperwork has been received by the Federal Programs Office.

Guidelines When Travel is Required:

Under no circumstances should participants make reservations, register for an event, purchase airline tickets, etc. until they are notified that the request has been approved and encumbered. All changes must be approved by the Manager of Federal Programs PRIOR to any expense of funds.

Meals:

- Meals are reimbursed using the per diem rates as allowed by the government.
- No meals are reimbursed for trips that do not include an overnight stay.
- Meals for travel days are reimbursed at 75% only.

Hotel:

- The original receipt showing a Zero balance must be submitted upon returning from the conference (even if the hotel was paid with a check from the school district).
- Hotel parking fees (valet or self-park) must be pre-approved.
- Hotel Internet charges can be reimbursed <u>if pre-approved</u>. Please check hotel Wi-Fi prices/rules when researching lodging costs.
- Room service or other fees incurred while staying at a hotel will not be reimbursed, as well as additional nights not approved prior to travel.

Creat	Template Name: Created by: LGC May 2015		Statem	Madison County Finance Statement of Expenditures and Encumbrances Page 1 of 5	Inty Finance res and Encumbi Lof 5	rances		User: Date/Time	Dian 5/21/201	Dianne Sherrod 5/21/2015 10:12 AM
Fund	Fund: 142 Sub- 103 School Feder	School Federal Projects - NCLB Title I Budget	ie I Budget							
dTY					UTY	Funds	MTD			
Object	ct Description	Original	Original Amendments Total Budget	Total Budget	Expenditures Encumbrances	Encumbrances	Available	% Used	MTD Actual	Encumbrance
71100	00 Regular Instruction Program				4					
116	Teachers	(104, 646.00)	836.00	(103,810.00)	80,737.15	0.00	(23,072.85)	0% LL'LL	3,022.15	0.00
163	Educational Assistants	(208,560.00)	56,640.00	(151,920.00)	116,466.04	0.00	(35,453.96)	76.66 %	6,148.93	0.00
188	Bonus Payments	00.00	0.00	0.00	00.00	0.00	0.00	0.00 100.00 %	0.00	0.00
189	Other Salaries & Wages	(376,619.50)	18,014.65	(358,604.85)	223,264.96	0.00	(135,339.89)	62.26 %	18,978.88	0.00
195	Certified Substitute Teachers	(26,590.00)	3,024.00	(23,566.00)	15,750.00	0.00	(7,816.00)	66.83 %	6,230.00	0.00
201	Social Security	(51,356.92)	7,712.37	(43,644.55)	26,814.91	0:00	(16,829.64)	61.44 %	2,141.59	0.00
204	State Retirement	(65,907.50)	9,905.09	(56,002.41)	32,474.33	00.00	(23,528.08)	57.99 %	2,032.37	0.00
206	Life Insurance	(1, 138.40)	149.40	(00.689)	668.24	00.00	(320.76)	67.57 %	0.00	0.00
207	Medical Insurance	(85,285.00)	22,709.48	(62,575.52)	38,300.57	0.00	(24,274.95)	61.21 %	1,784.70	0.00
208	Dental Insurance	(4,298.00)	1,421.53	(2,876,47)	1,745.17	00.00	(1,131.30)	% 29.09	79.48	0.00
211	Local Retirement	0.00	0.00	00:0	81.10	0.00	81.10	81.10 100.00 %	40.55	0.00
399	Other Contracted Services	(116,000.00)	16,719.43	(99,280.57)	63,805.00	38,839.08	3,363.51 103.39 %	03.39 %	2,772.73	(1,435.81)
429	Instructional Supplies And Materials	(565,000.00)	(127,596.77)	(692,596.77)	635,677.74	38,803.29	(18,115.74)	97.38 %	73,271.96	(62,700.03)
599	Other Charges	0.00	0:00	0.00	0.00	0.00	0.00	0.00 100.00 %	0.00	0.00
722	Regular Instruction Equipment	(175,285.68)	(171,238.41)	(346,524.09)	311,052.47	31,975.23	(3,496.39)	% 66.86	41,579.39	(43,271.31)
Total	Total 71100 Regular Instruction	(1,780,687.00)	(161,703.23)	(161,703.23) (1,942,390.23)	1,546,837.68	109,617.60	(285,934.95) 85.28 %		158,082.73	(107,407.15)
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Appendix D – Sample of Source Documentation

User: Dianne Sherrod Date/Time 5/21/2015 10:12 AM	ed MTD Actual Encumbrance		% 859.42 0.00	53.11	77.69	0.00	115.05	4.04	0.00	0.00	0.00	22,829.36 (23,762	% 23,938.67 (23,762.93)	
Dat	ids MTD bes Available % Used		0.00 (7,212.02) 69.36 %	- 70	0.00 (651.89) 69.37 %	0.00 (20.88) 64.00 %		(23.24)	(2,069.87)	(475.76)	ſ	(517,816.64)	54 (531,525.23) 14.28 %	
Madison County Finance Statement of Expenditures and Encumbrances Page 2 of 5 t	YTD Funds Expenditures Encumbrances			1,026.59 0.		37.12 0.		76.76		4	1,765.58 0.	52,850.86 11,611.54	76,918.27 11,611.54	
Madison County Finance ement of Expenditures and Enco Page 2 of 5	s Total Budget		0) (23,541.00)	0) (1,801.00)	0) (2,128.00)	0) (58,00)	0) (3,500.00)	0) (100.00)	0) (3,001.00)	00 (500.00)	00 (3,147.00)	4) (582,279.04)	(620,055.04)	
Stat Title I Budget	Original Amendments		(21,041.00)	(1,610.00)	(1,906.00)	0 (58.00)	(3,500.00)	(100.00)	(3,001.00)	1,500.00	0.00	(517,529.04)	(547,245.04)	
School Federal Projects - NCLB Title I Budget	Origina		(2,500.00)	(191.00)	(222.00)	0.00	0.00	0.00	0.00	(2,000.00)	(3,147.00)	(64,750.00)	rt (72,810.00)	
Template Name: Created by: LGC May 2015 Fund: 142 Sub- 103 School Fede	YTD Object Description	72130 Other Student Support	Other Salaries & Wages	Social Security	State Retirement	Life Insurance	Medical Insurance	Dental Insurance	Travel	Other Supplies And Materials	In Service/Staff Development	Other Charges	Total 72130 Other Student Support	
Tem Crea May Func	YTD Obje	721	189	201	204	206	207	208	355	499	524	599	Tota	

Temp	Template Name:			Madison C	Madison County Finance			User:		Dianne Sherrod
May	נשר Sub- 103	School Federal Projects - NCLB Title I Budget	statem I Budget	ent of Expend Pag	statement of Expenditures and Encumbrances Page 3 of 5	ances		Date/Time		5/21/2015 10:12 AM
YTD Object	ct Description	Original 4	Amendments	Total Budget	YTD Expenditures	Funds Encumbrances	MTD Available	% Used	MTD Actual	Encumbrance
7221	72210 Regular Instruction Program				4	<i></i>				
162	Clerical Personnel	0.00	0.00	0.00	00.00	0.00		0.00 100.00 %	0.00	0.00
188	Bonus Payments	0.00	0.00	0.00		0.00		0.00 100.00 %	0.00	0.00
189	Other Salaries & Wages	(1, 137, 245.00)	152,400.47	(984,844.53)) 753,424.66	00.0	(231,419.87)	76.50 %	46,457.59	0.00
201	Social Security	(92,078.00)	16,355.31	(75,722.69)) 53,431.82	00.00	(22,290.87)	70.56 %	3,341.19	0.00
204	State Retirement	(110, 307.00)	18,974.51	(91,332.49)) 68,815.29	00.0	(22,517.20)	75.35 %	4,249.55	0.00
206	Life Insurance	(2,750.00)	1,040.88	(1,709.12)	1,417.68	00.0	(291.44)	82.95 %	0.00	0.00
207	Medical Insurance	(126,202.00)	23,811.29	(102,390.71)) 60,601.47	0:00	(41,789.24)	59.19 %	3,024.03	0.00
208	Dental Insurance	(5,000.00)	1,052.00	(3,948.00)) 2,776.33	0.00	(1,171.67)	70.32 %	139.03	0.00
211	Local Retirement	(500.00)	500.00	0.00	0 1.60	0.00		1.60 100.00 %	0.00	0.00
336	Maintenance And Repair Services-	(200.00)	200.00	0:00		0.00		0.00 100.00 %	0.00	0.00
355	Travel	(4,500.00)	1,600.00	(2,900.00)	0.00	0.00	(2,900.00)	% 00.0	0.00	0.00
399	Other Contracted Services	(5,000.00)	5,000.00	0.00	0.00	00.0		0.00 100.00 %	0.00	0.00
499	Other Supplies And Materials	(5,000.00)	5,000.00	0:00	0.00	00.0		0.00 100.00 %	0.00	0.00
524	In Service/Staff Development	(309,142.00)	43,357.01	(265,784.99	124,109.49	101,370.01	(40,305.49)	84.84 %	6,740.28	(6,740.28)
599	Other Charges	(6,000.00)	6,000.00	00:0	00.00	0.00		0.00 100.00 %	0.00	0.00
790	Other Equipment	(5,000.00)	5,000.00	0:00	00.00	0.00		0.00 100.00 %	0.00	0.00
Total	Total 72210 Regular Instruction	(1,808,924.00)	280,291.47	280,291.47 (1,528,632.53)) 1,064,578.34	101,370.01	(362,684.18) 76.27 %	76.27 %	63,951.67	(6,740.28)
		e e	ĺ		- VI.	_				

Dianne Sherrod 5/21/2015 10:12 AM	MTD Actual Encumbrance	2,566.08 0.00	2,566.08	
User: Date/Time	MTD Available % Used	(12,651.31) 56.36 %	(12,651.31) 56,36 %	
	Funds	0.00	0.0	
Madison County Finance Statement of Expenditures and Encumbrances Page 4 of 5	YTD Funds Expenditures Encumbrances	16,336.69	89'98E'9	
Madison Cou ient of Expenditu	Total Budget	(28,988.00)	(28,988.00)	
Staterr Ie I Budget	Original Amendments	(5,988.00)	(5,988.00)	
School Federal Projects - NCLB Title I Budget	Original	(23,000.00)	(23,000.00)	
Template Name: Created by: LGC May 2015 Fund : 142 Sub- 103 School Fede	YTD Object Description	72710 Transportation 315 Contracts With Vehicle Owners	Total 72710 Transportation	

Expenditures Encumbrances Available % Used MTD Actual Encumbrance 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 100.00 0.00 0.00 0.00 0.00 0.	
Available	(1,192,75	
Encumbrances		
· · · ·		
	0.00 2,704,670.98	
Total Budget		
Amendments 357,000.00		
Original (357,000.00)	(357,000.00) (4,042,421.00)	
Object Description 99100 Transfers Out 590 Transfers To Other Funds	al 99100 Transfers Out al For Fund: 142-1	
	Uriginal Amendments lotal Budget ut her Funds (357,000.00) 357,000.00 0.00	Unginal Amendments Iotal Budget ut 357,000.00 357,000.00 0.00 her Funds (357,000.00) 357,000.00 0.00 fers Out (357,000.00) 357,000.00 0.00 2-1 (4,042,421.00) (77,644.80) (4,120,055.80)

Appendix E – Payment Methods

Jackson-Madison County School System Procedures for Requesting Federal Reimbursements from EPlan

Jackson-Madison County School System requests federal and state funds to reimburse all current expenditures through the State of Tennessee EPlan Reporting System twice per month. Once a federal application has been approved and loaded onto EPlan, the following procedure for requesting reimbursements should be followed:

- The payroll office at finance will process and post all payroll packets 1-2 days prior to the scheduled pay day and post the payroll transactions to Nextgen. Payroll staff will notify Accountant I in Business Services that packets are posted.
- Accountant I will print supporting reports from Nextgen that provide total Y-T-D expenditures by line item for each state and federal grant. These reports will include the current payroll expenditures as well as non-payroll expenditures processed as of that day. (Supplies, outside services, equipment etc.)
- Accountant I will CREATE A NEW REQUEST FOR REIMBURSEMENT in DRAFT form for each grant and enter the Y-T-D expenditures in to EPlan by line item. Accountant I will notify the appropriate federal grants administrator or their staff of any line item expense that exceeds the appropriation and adjust the request accordingly.
- Accountant I will create a PDF document of report(s) to support the expenditures and upload in to EPlan for each grant that requires additional documentation.
- Accountant I will then change the status of the reimbursement request to DRAFT COMPLETE and generate a summary page for each grant that provides the total allocation; total expenditures; total amount received; and total of this request.

- 6. Accountant I will cross check the request amount of each grant with the supporting documentation. She will then code each page with the appropriate fund, sub fund, revenue code and/or cost center and forward to the Finance Office staff for their records. They will check off each receipt as it comes in to the Trustee.
- 7. Accountant I will monitor Edison and the Trustee receipts for all expected revenue to be posted within the 2-week time frame of the request.
- 8. Reimbursement requests will be made throughout the year using **actual** expenditures with the exception of June. The SDOE recommends JMCSS to request reimbursement for any/all outstanding encumbrances as of June 30 to ensure the revenue will be posted to the proper fiscal year if the encumbrance is liquidated in the following year.

Appendix F – Madison County Purchasing Procedures

Madison County Finance Department

> Mike Nichols Director



1981 Hollywood Drive, Suite 100 Jackson, Tennessee 38305 Phone: 731-660-6221 Fax: 731-664-8315

TO: GENERAL FUND OFFICES AND DEPARTMENTS, HIGHWAY DEPARTMENT, SCHOOL SYSTEM AND INDIVIDUAL SCHOOLS, JUVENILE COURT SERVICES, ANY AND ALL OTHER OFFICES, DEPARTMENTS, AGENCIES OF, OR UNDER THE CONTROL OF THE COUNTY GOVERNMENT

FROM: MADISON COUNTY FINANCE DEPARTMENT

SUBJECT: PURCHASING POLICIES AND PROCEDURES

EFFECTIVE DATE: March 26, 2015, As Amended, & with addition of Section E

INTENT

To establish uniform guidelines which conform to all requirements and limitations as set forth by the Financial Management Act of 1981, as well as any and all locally adopted policies and procedures.

SCOPE

To regulate the purchase, rental or lease of any and all supplies, services, machinery or construction projects, and shall extend to every official, agent, department or agency of, or under the control of county government.

GENERAL

The term "purchase", as used in the following procedures, is defined as any agreement or contract to buy, rent or lease any supplies, services, machinery, etc.

All "like items", those items or services that can be purchased from a single source, shall be combined and considered as a single purchase. No effort to circumvent this will be allowed. Example: The dividing of what should be a single purchase, as per the above definition of "like items" onto two or more purchase orders.

In making purchases, diligence must be given to securing the lowest price possible, and in no instance shall any purchase be made at a price higher than the prevailing current market price.

Prior to any purchase, a purchase order or purchase request form must be issued and submitted to the Finance Department for approval, verification and encumbrance of funds. If approved, the purchase order or request form will be returned to the requisitioning department or office, and the supplies may be placed on order. The supplier should be notified that Madison County's preferred method of payment is via a Master Card based purchasing card, and asked if they accept this method of payment. The supplier must be given the purchase order number and instructed to show this number on all invoices pertaining to that purchase. These invoice numbers must in turn be shown on the purchase order. Once this is done and the terms of the purchase order have be fulfilled, the purchase order and invoices are to be returned to the Finance Department for payment.

Any office or department which has been approved to use a Madison County purchasing card, should use this method of procurement and payment whenever possible.

For all purchases/contracts requiring a contractor's license, it must be verified that the selected company, firm or individual is in "good standing" with the State of Tennessee Contractor's Licensing Board & that their license classification is approved & appropriate for the type of project to be completed.

In preparing purchase orders for payment, diligence must be given to accept any early payment discounts, and to avoid any late payment penalties.

A. PURCHASING AND CONTRACTUAL LIMITATIONS:

<u>PURCHASES WHICH MAY BE CONTRACTED FOR BY THE DEPARTMENT HEAD</u>, or his/her designated official of each county office, department or agency without the requirement for price quotations or formal bids:

ALL FUNDS, EXCLUDING HIGHWAY: \$4,999.99 OR LESS HIGHWAY DEPARTMENT: \$9,999.99 OR LESS

PURCHASES WHICH REQUIRE PRICE QUOTATIONS, but not formal bids:

ALL FUNDS, EXCLUDING HIGHWAY: \$5,000.00 TO \$9,999.99 HIGHWAY DEPARTMENT: DOES NOT APPLY (As many written quotations as reasonably possible for the products or services required should be obtained and attached to the purchase order when submitted for processing and payment)

B. PURCHASES WHICH REQUIRE ADVERTISED BIDS:

ALL FUNDS: \$10,000.00 OR ABOVE

(All formal bids must be advertised & processed by the County Finance Department's Purchasing Office)

C. AWARDING OF BIDS AND VENDOR NOTIFICATION:

Formal Bids, as per the limitations above, shall only be awarded and the successful bidder/bidders notified by the County Finance Department <u>after</u> an award recommendation letter has been received and approved by the Finance Department, and only <u>after</u> a purchase order has been issued & adequate funds have been encumbered.

D. SOLE SOURCE PURCHASES, WHICH EXCEEDS THE ESTABLISHED LIMIT:

WILL NOT be allowed by any office, department or agency of Madison County.

E. RENTALS, LEASES AND LEASE/PURCHASES:

All contracts for rentals, leases and lease/purchases must comply with the same contractual limits as any other commodity or service. Contracts which exceed the bid limit during any 12 month period of the agreement must be awarded based on formal bids received & awarded by the County Finance Department, or a State of Tennessee SWC contract, or other approved national

cooperative contract. "Non-appropriation" or "governmental fund-out" clauses shall not be authorized for any multi-year contracts. Multi-year contracts must be approved prior to signing by the Madison County Board of Commissioners. In addition, multi-year contracts entered into by the School System must be approved by the Jackson-Madison County School Board prior to approval by the Madison County Board of Commissioner's. REGARDLESS OF TOTAL CONTRACT COST, any rental, lease or lease/purchase agreement must be reviewed and approved by the Madison County Finance Department prior to signing.

F. EMERGENCY PURCHASE OF GOODS OR SERVICES:

Shall be contracted for only by the Madison County Finance Department, or by the department head after receiving authorization and instructions on how to proceed from the County Finance Department.

EXCEPTION: The department head may contract for emergency purchases or services if the need arises during a time when no one from the County Finance Department can be contacted for assistance.

IF POSSIBLE & WHEN TIME WILL ALLOW, a minimum of three (3) price quotations should be solicited prior to the award for any emergency purchase or contract for service.

DEFINITIONS OF "EMERGENCY": 1. An immediate need for goods or services due to safety concerns. 2. The probability of property damage or additional property damage if immediate actions are not taken. 3. Circumstances which would prevent an office or department from conducting business for an extended period of time.

Neglect in anticipating required goods or services, or delayed actions in obtaining required goods or services through normal purchasing procedures <u>shall not be</u> <u>considered an emergency</u>.

G. PROFESSIONAL SERVICES:

It is not required that contracts for services which fall under this definition, as allowed by State standards, & which would exceed the set bid limit, be competitively bid, but at a minimum, a legal notice must be published stating the County's intent, and proposals accepted and considered from any interested firms or individuals.

H. EXCEPTIONS TO LIMITATIONS:

Any office, department or agency of Madison County may purchase or contract directly and without the need for price quotes or formal bids from any current, active and valid state contract, as awarded by the State of Tennessee Department of General Services or current, active and valid Federal GSA contract, or other approved national cooperative contract. When purchases are made using any of these types of contracts, the contract number must be shown on the purchase order and a copy of the contract is to be attached.

I. CONFLICTS OF INTEREST:

The Madison County Finance Department and all agencies, offices or departments of the county shall adhere to all recognized code of conduct standards related to bids awarded, as well as all other purchases/contracts for products and/or services.

BID REQUIREMENTS ***CAREFULLY TAKE NOTE OF ALL ITEMS***

ALL BIDDERS ARE REQUIRED TO COMPLY WITH:

GENERAL LICENSING ACT OF 1976, & ALSO KNOWN AS TENNESSEE HOUSE BILL NO. 2180 AND T.C.A. 62-6-119 OF 1994.

ALL COMPANIES WITH FIVE (5) OR MORE EMPLOYEES ARE ALSO REQUIRED TO COMPLY WITH T.C.A. 50-9-113 OF 2001. (DRUG-FREE WORKPLACE)

IF YOUR BID MEETS OR EXCEEDS \$25,000.00:

IT IS REQUIRED THAT YOU SHOW YOUR TENNESSEE STATE CONTRACTOR'S LICENSE NUMBER, CLASSIFICATION AND EXPIRATION DATE ON THE SEALED ENVELOPE CONTAINING YOUR BID. IT IS REQUIRED THAT YOU SUBMIT A FIVE (5) PERCENT BID BOND WITH YOUR BID. IT IS REQUIRED THAT YOU SHOW THE NAME, LICENSE NUMBER, CLASSIFICATION AND EXPIRATION DATE OF ANY HVAC, ELECTRICAL OR PLUMBING SUBCONTRACTORS ON THE SEALED ENVELOPE CONTAINING YOUR BID, IF THEIR BID AMOUNT EXCEEDS \$25,000.00. IF UNDER THIS AMOUNT, ONLY THEIR COMPANY NAME IS REQUIRED.

REGARDLESS OF BID AMOUNT:

IT IS REQUIRED THAT YOU SUBMIT PROOF OF GENERAL LIABILITY INSURANCE OF NOT LESS THAN \$1,000,000 **WITH MADISON COUNTY GOVERNMENT AS ADDITIONAL INSURED**. WORKER'S COMPENSATION INSURANCE AND APPROPRIATE BUSINESS LICENSE.

BUSINESS LICENSE REQUIREMENTS:

IT IS REQUIRED, THAT IF YOUR BUSINESS IS LOCATED WITHIN MADISON COUNTY, YOU HAVE A MADISON COUNTY BUSINESS LICENSE BEFORE A BID CAN BE AWARDED TO YOU. **IT IS REQUIRED**, THAT IF YOUR BUSINESS IS LOCATED OUTSIDE OF MADISON COUNTY AND YOUR BID AMOUNT EXCEEDS \$50,000.00, THAT YOU HAVE A MADISON COUNTY BUSINESS LICENSE PRIOR TO BEING AWARDED A BID. IF UNDER \$50,000.00, IT IS REQUIRED THAT YOU HAVE A BUSINESS LICENSE ISSUED BY THE CITY OR COUNTY WHERE YOUR BUSINESS IS LOCATED.

TCA SECTION 49-5-413 (AS AMENDED):

IT IS REQUIRED, THAT ANY PERSON, CORPORATION OR OTHER ENTITY WHO ENTERS INTO OR RENEWS A CONTRACT WITH A LOCAL BOARD OF EDUCATION OR CHILD CARE PROGRAM AS DEFINED IN 49-1-1102 SHALL BE REQUIRED TO COMPLY WITH THE PROVISIONS OF THIS SUBSECTION, IF THE CONTRACT REQUIRES.

> REGARDLESS OF BID AMOUNT, YOU MUST BE LICENSED IN ACCORDANCE WITH ANY REQUIREMENTS BY THE TENNESSEE DEPT. OF INSURANCE OR STATE CONTRACTOR'S LICENSING BOARD AS REQUIRED BY EITHER FOR ELECTRICAL OR CABLING PROJECTS, IF APPLICABLE TO THIS BID

IF YOUR BID MEETS OR EXCEEDS \$25,000.00, AND YOU ARE THE SUCCESSFUL BIDDER:

IT WILL BE REQUIRED THAT YOU OBTAIN AND SHOWN PROOF OF PAYMENT/PERFORMANCE BOND OR BONDS.

* * * TAKE NOTE OF DRUG-FREE REQUIREMENTS SHOWN BELOW * * *

IF YOUR COMPANY IS AN EMPLOYER OF FIVE (5) OR MORE EMPLOYEES, <u>IT IS REQUIRED</u> THAT YOU COMPLETE & SIGN THE TOP SECTION OF THE ATTACHED DRUG-FREE WORKPLACE AFFIDAVIT & <u>INCLUDE WITH YOUR BID DOCUMENTS</u>.

IF YOUR COMPANY IS AN EMPLOYER OF LESS THAN FIVE (5), <u>IT IS REQUIRED</u> THAT YOU COMPLETE & SIGN THE BOTTOM SECTION OF THE ATTACHED DRUG-FREE WORKPLACE AFFIDAVIT & <u>INCLUDE</u> <u>WITH YOUR BID DOCUMENTS</u>.

THE ATTACHED DRUG-FREE WORKPLACE AFFIDAVIT <u>MUST BE</u> COMPLETED & SIGNED & INCLUDED WITH YOUR BID DOCUMENTS, OR YOUR BID <u>WILL NOT</u> BE CONSIDERED

Appendix H – Invitation to Bid

INVITATION TO BID NO.

REQUISITION NO.

Issued by: MADISON COUNTY FINANCE DEPT., 1981 HOLLYWOOD DRIVE - SUITE 100, JACKSON, TN 38305

NOTE: Envelopes containing bids MUST BE SEALED AND MARKED in lower left corner with invitation to bid number.

SEALED BIDS, subject to the conditions specified on all sheets attached hereto, will be received in

The Madison County Purchasing Office, 1981 Hollywood Drive – Suite 100, Jackson, TN 38305, until 11:00 AM, , 2015

and then publicly opened for furnishing the following supplies, materials and/or services. The right is reserved as the interest of the County may require, to reject or accept any and/or all bids, to waive any informality in bids received, and to accept or reject any items of any bids. For bid protests, contact the Madison County Purchasing Office for a copy of Madison County's Bid Protest Procedures.

FOR BID AWARD RESULTS, CALL 731/660-6221 - EXT. 7 NO SOONER THAN FIVE WORKING DAYS FOLLOWING BID OPENING DATE

** MADISON COUNTY'S PREFERRED METHOD OF PAYMENT: MASTER CARD BASED PURCHASING/CORPORATE CARD **

DO YOU ACCEPT THIS METHOD OF PAYMENT? YES NO

DO ADDITIONAL CHARGES APPLY? ____YES ____

NO (IF YES, STATE TERMS WITHIN YOUR BID)

In compliance with the above invitation to bid, and subject to all the conditions thereof, the undersigned offers, and agrees, if this bid be accepted within ______calendar days (60 calendar days if no shorter period be specified) from the date of the opening, to furnish any or all of the items upon which prices are quoted at the price set opposite each item, delivered as above specified within ______days after the receipt of order.

DATE BID WAS SUBMITTED:

<u>Below)</u>	w) Company Name and Address of Bidder (Show
<u>Title (Show Below)</u>	
	Phone Number:
	Email Address:
COUNTY GOVERNMENT, NOR ANY OF ITS DEPARTMENTS, OFFIC ⁷ , SEX, AGE OR NATIONAL ORIGIN	ES OR AGENCIES, DISCRIMINATES ON THE GROUNDS OF RACE, COLOR, RELIGIO
	ES OR AGENCIES, DISCRIMINATES ON THE GROUNDS OF RACE, COLOR, RELIGION DATE:
', SEX, AGE OR NATIONAL ORIGIN	
Y, SEX, AGE OR NATIONAL ORIGIN ACCEPTANCE BY MADISON COUNTY, TENNESSEE	
ACCEPTANCE BY MADISON COUNTY, TENNESSEE	DATE:

Appendix I – Guidelines and Cardholder Agreement

INTRODUCTION

Welcome to the **Madison County, TN Commercial Card Program**. The Commercial Card, also referred to as the Purchasing Card or "Pcard", offers a significant variety of enhancements to existing procurement and accounting processes. The card program will enable cardholders exercising fiduciary responsibility to conveniently purchase commodities and services directly from approved vendors accepting VISA.

The commercial card program is administered internally by **Donna Williams**, the Program Administrator. Transaction and merchant controls have been placed on all cards in compliance with our Purchasing Policy. The card or card number is not transferable and must be surrendered to **Donna Williams** if terminated, voluntarily or involuntarily, or transferred to another department. The responsibility of this card falls primarily on the cardholder, but also on the cardholder's immediate supervising manager. <u>Use of the card for personal purchases is strictly prohibited and subject to legal and/or disciplinary actions.</u>

Card transactions will be visible via secure internet web site. All transaction activity will be monitored by the Program Administrator, the cardholder's managing department heads, and other designated management personnel as deemed appropriate.

BENEFITS

The Purchasing Card program's success depends on your participation. Therefore, it is important that you, as a participant, understand the benefits of using the card.

FOR USERS

- Empowers users to make procure approved products and services within guidelines of company policy
- Easier to make small dollar purchases
- Increases efficiency through faster procurement
- Immediate identification of disputed items

FOR MADISON COUNTY

- Employee empowerment increases overall job satisfaction
- · Appropriate, predetermined controls within the purchasing card program
- Electronic reporting capabilities providing transaction history
- Decreases paperwork

Eliminates a large percentage of checks drafted and mailed

FOR SUPPLIERS

- Improved cash flow (generally receives funds within days)
 - Reduced invoicing and collection costs
- Improved competitive position achieved

Cardholder Responsibilities

Cardholder privileges and procedures are contingent upon the following items:

Receipts

You must <u>obtain ALL receipts</u>. All receipts must be turned in within ______ business days of the purchase to your departmental administrator. Failure to produce adequate legible receipts will be viewed as Card Misuse. Proper forms of transaction documentation include an invoice, cash register receipt, sales slip, or handwritten receipt signed by an employee of the supplier/merchant. In the event a receipt is lost, you must contact your Program Administrator for further instruction.

Card MISUSE

As a cardholder, you assume the responsibility for the protection and proper use of the Card. The card should only be used by the individual, whose name appears on the card or in the case of department cards, by individuals employed in that department at the time of use. Cards and card numbers must be safeguarded against unauthorized use and fraud. All card holders are required to have in their possession County Identification Cards at the time of purchase.

The following situations are examples of misuse of the card:

- · Purchases inappropriate to the cardholder's position and responsibilities.
- Use of the card for commodities or services restricted by Purchasing Policy.
- · Purchases for the sole benefit of the employee
- Assignment or transfer of an individual card to an another person
- Use of a Card by a suspended or terminated employee
- Splitting a purchase to override transaction limits
- · Lack of proper and timely review, reconciliation, and expense reporting as required.

These examples are not meant to represent a complete listing or definition of card misuse. The Program Administrator retains the discretion to suspend or cancel the use of any card at any time if cardholder use is believed to be in any way contradictory to appropriate card use or Purchasing Policy.

Tax Exemption

Each card is marked "Tax Exempt." It is the cardholder's responsibility to assure tax has not been applied to card transactions.

Purchase Parameters

Purchasing parameters have been assigned to each card to match the responsibilities of the job description. Your immediate supervising manager can explain these parameters. It is

the responsibility of the cardholder to familiarize themselves with the purchasing parameters of their job. Cash Advances, either electronic or from financial institutions, are strictly forbidden and have been blocked from all cards. Other parameters can include:

Cycle Credit line

,

- Transaction Dollar Limits
- Budgetary Limitations
- Supplier limitations

If a cardholder tries to make a purchase that violates any of the parameters, the purchase will automatically decline at the point of sale. If you, or your manager, find the parameters do not match the responsibilities of job, your Program Administrator can re-evaluate and modify parameters.

Transaction Disputes

If you as a cardholder believe a transaction should be disputed, it is your responsibility to first contact the merchant to attempt resolution before beginning the official dispute process. In most cases, the merchant will credit your account and handle your needs in a professional manner. If you, or your department's administrator, cannot resolve the transaction dispute, contact your Program Administrator. Your Administrator may require you to contact Commerce Bank for further direction. Commerce Bank, following standard regulations outlined by Visa and MasterCard, will document the dispute and advise you of the process. Some dispute situations may require a signed affidavit. Commerce will advise if this necessary and answer any questions.

Lost or Stolen Card

In the event a card is lost or stolen, you are required to contact Commerce Bank immediately and be prepared to provide information in writing or via fax. Replacement card generally takes seven to ten days. An emergency card can be obtained within 24 hours but an expedited delivery fee will be charged.

The Cardholder is also responsible for reporting the lost to the Program Administrator immediately.

Card Cancellation

All department Managers are required to contact the Program Administrator immediately for cancellation of a departing employee's card. The Program Administrator may, in turn, request written notification of the cardholder's termination along with the card.

CARDHOLDER AGREEMENT

It is understood that I will be personally liable for any purchase that is made which is not in compliance with the procedures listed below; and in addition to being responsible for any such charges; I may lose the privilege of participating in the procurement card program and may face disciplinary action.

The Cardholder shall:

. . .

- NOT USE CARD FOR PERSONAL USE.
- Assure that the commodities purchased are required for bona fide Madison County, TN purposes.
- Assure that the prices paid are fair and reasonable.
- Notify the merchant that the purchase is being made in the name of Madison County, TN and is exempt from state and local taxes.
- Assure that all commodities are received (no back orders allowed) and tax is not charged.
- Not attempt to adjust, modify, or split purchases to circumvent card purchase parameters.
- Assure that contract commodities are purchased only from the contract vendor at or below the contract price.
- Assure that purchases are within the limits set by _____ and available funds in the budget.
- Submit transaction receipts with designated personnel within _____ business days following purchase.
- Assure that no cash advances are attempted with the card.
- Comply with guidelines for reporting lost or stolen cards.
- Review all transactions posted to account on a timely basis to assure accuracy. Complete
 required reconciliation of transaction. Submit signed reconciled statement with copies of
 receipts and requisitions to

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Appendix J – Cardholder Purchasing Card Agreement

Madison County Finance CARDHOLDER PURCHASING CARD AGREEMENT

Madison County is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect company assets.

I, _____, hereby acknowledge receipt of a Madison County MasterCard/Visa Purchasing Card, No. ______. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Purchasing Card procedures.

I acknowledge receipt of said Agreement and confirm that I have read and understand their terms and conditions. I understand that **Madison County** is liable to Bank of America & MasterCard/Visa for all **Madison Coaunty** charges.

I agree to use this card for **Madison County** approved purchased only and agree not to charge personal purchases. I understand that **Madison County** will audit the use of this card and report any discrepancies.

I further understand that improper use of this card may result in disciplinary action, up to and including termination of employment. Should I fail to use this card properly, I authorize **Madison County** to deduct from my salary an amount equal to the total of the discrepancy. I also agree to allow **Madison County** to collect any amounts owed by me even if Madison County no longer employs me.

I understand that **Madison County** may terminate my right to use this card at any time for any reason. I agree to return the card to **Madison County** immediately upon request or upon termination of employment.

Cardholder:	
Signature:	Date:
Print Name:	
Location:	
Approving Officer:	
Signature:	Date:
Print Name:	Phone:

Appendix K - Procedure for Bid Protest & Formal Hearing

Madison County Finance Department

> Mike Nichols Director



1981 Hollywood Drive, Suite 100 Jackson, Tennessee 38305 Phone: 731-660-6221 Fax: 731-664-8315

PROCEDURE FOR BID PROTEST & FORMAL HEARING

INTENT:

TO ESTABLISH A PROCEDURE FOR ANY COMPANY, FIRM, VENDOR, ETC. TO BE GIVEN THE OPPORTUNITY TO PROTEST THE AWARD OR INTENDED AWARD OF A BID ISSUED BY THE MADISON COUNTY FINANCE DEPARTMENT FOR ANY DEPARTMENT, OFFICE OR AGENCY OF MADISON COUNTY, TENNESSEE.

PROCEDURE:

ANY VENDOR REQUESTING A FORMAL BID PROTEST HEARING MUST MAKE THIS REQUEST IN WRITING TO THE MADISON COUNTY FINANCIAL MANAGEMENT DIRECTOR AT THE EARLIEST DATE POSSIBLE FOLLOWING THE BID OPENING.

THE VENDOR'S LETTER OF REQUEST MUST STATE IN DETAIL ALL REASONS AND JUSTIFICATIONS FOR THE HEARING REQUEST.

THE LETTER OF REQUEST WILL BE SENT TO ALL MEMBERS OF THE MADISON COUNTY FINANCIAL MANAGEMENT COMMITTEE FOR THEIR REVIEW AND FOR DISCUSSION DURING THE NEXT SCHEDULED FINANCIAL MANAGEMENT COMMITTEE MEETING.

THE FINANCIAL MANAGEMENT COMMITTEE WILL DETERMINE, BASED ON THE DETAILS AND REASONS STATED WITHIN THE LETTER OF REQUEST AND AFTER HEARING FROM THE COUNTY DEPARTMENT OR OFFICE INVOLVED IF A HEARING IS DEEMED APPROPRIATE.

THE VENDOR WILL BE IMMEDIATELY NOTIFIED IN WRITING AS TO THE RESULTS OF THIS MEETING BY THE FINANCIAL MANAGEMENT DIRECTOR.

IF THE VENDOR DISAGREES WITH THE DECISION OF THE FINANCIAL MANAGEMENT COMMITTEE TO NOT GRANT A PROTEST HEARING, THAT VENDOR MAY REQUEST & RECEIVE PERMISSION TO MEET WITH & ADDRESS THE FINANCIAL MANAGEMENT COMMITTEE DIRECTLY AT THEIR NEXT SCHEDULED MEETING.

IF THE FINANCIAL MANAGEMENT COMMITTEE DETERMINES THAT VALID REASONS EXIST TO WARRANT A FORMAL BID PROTEST HEARING, ONE WILL BE SCHEDULED AND ALL VENDORS THAT SUBMITTED A BID & THE COUNTY DEPARTMENT HEAD REQUESTING THE GOODS OR SERVICES WILL BE NOTIFIED IN WRITING AS TO THE TIME AND DATE OF THE HEARING.

ALL SUBMITTING VENDORS WILL BE NOTIFIED OF THE FINANCIAL MANAGEMENT COMMITTEE'S DECISION NO LATER THAN THE FOLLOWING DAY.

Appendix L– Federal Programs Inventory

Federal Programs Inventory Process

- Property that is sold Funds recouped are returned to the federal program from which they were purchased.
- Property that is lost or stolen A thorough investigation occurs to recover the lost or stolen item. In the event that it cannot be found, a police report is filed.
- Property that cannot be repaired If the property has usable parts, they are retained for repairing other equipment. If it cannot be repaired, it is discarded and removed from the inventory.
- The Federal Programs Department completes a physical inventory of property twice each fiscal year. The physical inventory is completed by the Federal Programs consulting teachers at each assigned school once in the fall and once in the spring. All items are scanned with a barcode tag and audited through the property management system (WASP). If items are missing, then a thorough search is conducted until found or reported as stolen.

Jackson Madison County School System Acceptable Use Policy

Introduction

Jackson Madison County School System (JMCSS) recognizes that access to technology in school gives students greater opportunities to learn, engage, communicate, and develop skills that will prepare them for work, life, and citizenship. We are committed to helping students develop 21st-century technology and communication skills.

To that end, we provide access to technologies for student and staff use.

This Acceptable Use Policy outlines the guidelines and behaviors that users are expected to follow when using school technologies or when using personally-owned devices on the school campus. The JMCSS network is intended for educational purposes.

All activity over the network or using district technologies may be monitored and retained.

Access to online content via the network may be restricted in accordance with our policies and federal regulations, such as the Children's Internet Protection Act (CIPA).

Students are expected to follow the same rules for good behavior and respectful conduct online as offline.

Misuse of school resources can result in disciplinary action.

MCSS makes a reasonable effort to ensure students' safety and security online, but will not be held accountable for any harm or damages that result from use of school technologies.

Users of the district network or other technologies are expected to alert Technology staff immediately of any concerns for safety or security.

District staff will not post quotes from religious texts or post information about their personal religious mission or calling, while on the district network.

Technologies Covered

JMCSS may provide Internet access, desktop computers, mobile computers or devices,

videoconferencing capabilities, online collaboration capabilities, message boards, email, and more. As new technologies emerge, JMCSS will attempt to provide access to them. The policies outlined in this document are intended to cover *all* available technologies, not just those specifically listed. **Usage Policies**

All technologies provided by the district are intended for educational purposes. All users are expected to use good judgment and to follow the specifics of this document as well as the spirit of it: be safe, appropriate, careful and kind; don't try to get around technological protection measures; use good common sense; and ask if you don't know. Jackson Madison County School System Acceptable Use Policy.

Web Access

JMCSS provides its users with access to the Internet, including web sites, resources, content, and online tools. That access will be restricted in compliance with CIPA regulations and school policies. Web browsing may be monitored and web activity records may be retained indefinitely. Users are expected to respect that the web filter is a safety precaution, and should not try to circumvent it when browsing the Web. If a site is blocked and a user believes it shouldn't be, the user should follow district protocol to alert a Technology staff member or submit the site for review.

Email

JMCSS may provide users with email accounts for the purpose of school-related communication. Availability and use may be restricted based on school policies.

If users are provided with email accounts, they should be used with care. Users should not send personal information; should not attempt to open files or follow links of unknown or untrusted origin; should use appropriate language; and should only communicate with other people as allowed by the district policy or the teacher.

Users are expected to communicate with the same appropriate, safe, mindful, courteous conduct online as offline. Email usage may be monitored and archived.

Social/Web 2.0 / Collaborative Content

Recognizing the benefits collaboration brings to education, JMCSS may provide users with access to web sites or tools that allow communication, collaboration, sharing, and messaging among users. Users are expected to communicate with the same appropriate, safe, mindful, courteous conduct online as offline. Posts, chats, sharing, and messaging may be monitored. Users should be careful not to share personally-identifying information online.

Mobile Devices Policy

JMCSS may provide users with mobile computers or other devices to promote learning outside of the classroom. Users should abide by the same acceptable use policies when using school devices off the school network as on the school network.

Users are expected to treat these devices with extreme care and caution; these are expensive devices that the school is entrusting to your care. Users should report any loss, damage, or malfunction to Technology staff immediately. Users may be financially accountable for any damage resulting from negligence or misuse.

Use of school-issued mobile devices off the school network may be monitored.

Personally-Owned Devices Policy Jackson Madison County School System Acceptable Use Policy Students should keep personally-owned devices (including laptops, tablets, smart phones, and cell phones) turned off and put away during school hours (including JMCSS authorized transportation) —except to assist in the event of an emergency or as instructed by a teacher or staff for educational purposes.

Because of security concerns, when personally-owned mobile devices are used on campus, they should not be used over the school network without express permission from Technology staff. **Only the JMCSS Guest Wireless network may be provided for personally-owned devices.**

Security

Users are expected to take reasonable safeguards against the transmission of security threats over the school network. This includes not opening or distributing infected files or programs and not opening files or programs of unknown or untrusted origin.

If you believe a computer or mobile device you are using might be infected with a virus, please alert the Technology staff. Do not attempt to remove the virus yourself or download any programs to help remove the virus.

Downloads

Users should not download or attempt to download or run .exe programs over the school network or onto school resources without express permission from Technology staff.

You may be able to download other file types, such as images of videos. For the security of our network, download such files only from reputable sites, and only for education purposes. **Netiquette**

Users should always use the Internet, network resources, and online sites in a courteous and respectful manner.

Users should also recognize that among the valuable content online is unverified, incorrect, or inappropriate content. Users should use trusted sources when conducting research via the Internet. Users should also remember not to post anything online that they wouldn't want parents, teachers, or future colleges or employers to see. Once something is online, it's out there—and can sometimes be shared and spread in ways you never intended.

Plagiarism

Users should not plagiarize (or use as their own, without citing the original creator) content, including words or images, from the Internet. Users should not take credit for things they didn't create themselves, or misrepresent themselves as an author or creator of something found online. Research conducted via the Internet should be appropriately cited, giving credit to the original author.

Personal Safety

Users should never share personal information, including phone number, address, social security number, birthday, or financial information, over the Internet without adult permission. Users should recognize that communicating over the Internet brings anonymity and associated risks, and should carefully safeguard the personal information of themselves and others. Users should never agree to meet in person someone they meet online without parental permission.

If you see a message, comment, image, or anything else online that makes you concerned for your personal safety, bring it to the attention of an adult (teacher or staff if you're at school; parent if you're using the device at home) immediately.

Cyberbullying

Cyberbullying will not be tolerated. Harassing, dissing, flaming, denigrating, impersonating, outing, tricking, excluding, and cyberstalking are all examples of cyberbullying. Don't be mean. Don't send emails or post comments with the intent of scaring, hurting, or intimidating someone else. Engaging in these behaviors, or any online activities intended to harm (physically or emotionally) another person, will result in severe disciplinary action and loss of privileges. In some cases, cyberbullying can be a crime. Remember that your activities are monitored and retained.

Examples of Acceptable Use

I will:

✓ Use school technologies for school-related activities.

 \checkmark Follow the same guidelines for respectful, responsible behavior online that I am expected to follow offline.

✓ Treat school resources carefully, and alert staff if there is any problem with their operation.

✓ Encourage positive, constructive discussion if allowed to use communicative or collaborative technologies.

✓ Alert a teacher or other staff member if I see threatening, inappropriate, or harmful content (images, messages, posts) online.

- ✓ Use school technologies at appropriate times, in approved places, for educational pursuits.
- ✓ Cite sources when using online sites and resources for research.
- ✓ Recognize that use of school technologies is a privilege and treat it as such.
- ✓ Be cautious to protect the safety of myself and others.
- \checkmark Help to protect the security of school resources.

This is not intended to be an exhaustive list. Users should use their own good judgment when using school technologies.

Examples of Unacceptable Use

I will not:

- ✓ Use school technologies in a way that could be personally or physically harmful.
- ✓ Attempt to find inappropriate images or content.
- ✓ Engage in cyberbullying, harassment, or disrespectful conduct toward others.
- ✓ Try to find ways to circumvent the school's safety measures and filtering tools.
- ✓ Use school technologies to send spam or chain mail.
- ✓ Plagiarize content I find online.
- ✓ Post personally-identifying information, about myself or others.
- ✓ Agree to meet in person someone I meet online.
- ✓ Use language online that would be unacceptable in the classroom.
- ✓ Use school technologies for illegal activities or to pursue information on such activities.
- ✓ Attempt to hack or access sites, servers, or content that isn't intended for my use.

This is not intended to be an exhaustive list. Users should use their own good judgment when using school technologies.

Limitation of Liability

JMCSS will not be responsible for damage or harm to persons, files, data, or hardware. While JMCSS employs filtering and other safety and security mechanisms, and attempts to ensure their proper function, it makes no guarantees as to their effectiveness. JMCSS will not be responsible, financially or otherwise, for unauthorized transactions conducted over the school network.

Violations of this Acceptable Use Policy

Violations of this policy may have disciplinary repercussions, including:

Suspension of network, technology, or computer privileges

Notification to parents

Detention or suspension from school and school-related activities

Legal action and/or prosecution

I have read and understood this Acceptable Use Policy and agree to abide by it:

(Student/Staff Printed Name)

(Student/Staff Signature)

(Date)

I have read and discussed this Acceptable Use Policy with my child:

(Parent Printed Name)

(Parent Signature)

(Date)

Appendix N – Acceptable Use and Permission Form – Federal Programs

JACKSON MADISON COUNTY SCHOOL SYSTEM

FEDERAL PROGRAMS AND GRANTS DEPARTMENT

Equipment Agreement and Laptop

Acceptable Use and Permission Form

I agree to take full responsibility for the following piece(s) of equipment and/or materials belonging to the Federal Programs and Grants Department:

ITEM	SERIAL #	VALUE

If any damage occurs to the above item(s) while in my possession, due to negligence or theft, I will be **fully responsible** for the complete **repair/replacement** of the item(s). If I have a change in placement for the next school year, I will return all equipment to the issuing school immediately. Failure to do so may result in legal action.

LAPTOP ACCEPTABLE USE AND PERMISSION FORM

The intent of this contract is to insure that USERS of laptops will comply with all Acceptable Use Policies and be informed of liability if laptops are lost, stolen, or damaged while in the USER'S possession inside or outside of the classroom. IN EXCHANGE FOR the use of laptop computers at home, I understand and agree to the following:

- A. All policies in the Internet Acceptable User Guidelines (Attached to this form) will be followed when using the laptop at home or at school.
- B. The district reserves all rights to any files and/or programs that are stored on the laptop and will remove any material which the district, at its sole discretion, believes to be illegal, pornographic, obscene, or otherwise objectionable.

- C. The USER may lose the privilege of using a laptop and/or computer if any of the above policies are broken and/or they abuse the equipment, download objectionable material, hack or modify programs or system files, or purposely infect the computer with a virus.
- D. The USER assumes full responsibility and financial liability for any laptop computer and/or peripherals issued. This does exclude everyday wear and tear, which will be determined by the sole discretion of the district.
- E. Any USER who has lost or damaged laptops or parts will be charged the cost of replacement/restoration.
- F. The USER is also liable for the replacement cost if the laptop is lost, stolen, damaged, or not returned at the designated time set for return of the laptop and all peripherals.

By checking this box, I am requesting to retain possession of this equipment and/or materials during the summer (June & July). I understand that I must present these items for inspection and inventory purposes at the end of the summer (dates and times to be determined). **Initials**

Signature of User	PRINT NAME	
Date		
Signature of Principal or Designee	PRINT NAME	
Date		
Signature of Consultant	SCHOOL	Date
5		

Appendix O – Semi-Annual Certification Sample

ANNUAL TITLE I SCHOOL PRINCIPAL ATTESTATION FORM

The No Child Left Behind Act (NCLB) of 2001 requires that the principal of each Title I school annually attest to whether or not the school is in compliance with the highly qualified requirements of Section 1119 of the law. This written attestation must be completed by August 31 and must be kept on file in the school and the LEA.

As principal of school, I attest that this school	
□ IS □ IS NOT	
is in compliance with the local educational agency's efforts to comply with the teacher and paraprofessional requirements contained in Section 1119 of the No Child Left Behind Act.	
If not in compliance, explain the reasons below:	
Signature of Principal Date	

DEADLINE: AUGUST 31

Maintain copies of signed document in LEA and school files. Direct questions to your CPM Regional Consultant.



