

EMPOWER



Lincoln County School District

Grants Administration

POLICIES AND PROCEDURES

REVISION 8-2023

I. INTRODUCTION

This manual sets forth the policies and procedures used by Lincoln County School District (LCSD) to administer federal funds. The manual contains the internal controls and grant management standards used by LCSD to ensure that all federal funds are lawfully expended. It describes in detail LCSD'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 applicable sub-recipient monitoring responsibilities.

New employees of LCSD, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of LCSD's rules and practices.

II. GRANT APPLICATION APPROVAL

Department Heads or staff who wish to apply for a federal grant must request advance authorization from the District Board of Trustees to apply for the grant and to accept the grant if awarded. The request to Board of Trustees shall specify if the grant will require the district to contribute matching funds, resources, or other costs if the grant is received, If the District will incur costs if the grant is received, staffs request shall identify the budgeted source for the costs. The request shall also provide a summary of the nature of the grant, to include whether the grant will pay for salaries/compensation, whether the grant will involve a subrecipient award(s), and other pertinent details.

Approval of District Board of Trustees must be obtained prior to submitting the grant application to the federal pass-through agency.

Upon award of the grant, the Department Head shall provide the District Grant Administrator and District Auditor with a copy of the award, including the grant agreement, terms and conditions, and other controlling grant documents. Questions regarding the terms of the grant may be directed to the District Grants Manager and/or District Superintendent.

III. FINANCIAL MANAGEMENT SYSTEMS

The Lincoln County School District (LCSD) maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures are 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. Authority – 2 CFR Part 200

The Board of Trustees shall ensure federal funds received by the district are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance.

B. Delegation of Responsibility

The District Board of Trustees designates the District Grants Administrator as the District's contact for all federal programs and funding.

The District Auditor Office, County Treasurer, District Grant Administrator and Department Heads, shall establish and maintain a sound financial management system to include internal controls and federal grant management standards covering the receipt of both direct and pass-through federal grants and to track costs and expenditures of funds associated with grant awards.

C. Financial Management System

The Lincoln County School District's financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met. Financial management standards and procedures shall assure that the following responsibilities are fulfilled (2 CFR 200.302):

Identification

Lincoln County School District will identify, in its accounts, all federal awards received and expended and the federal programs under which they were received

Financial Reporting

Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of granting agency.

Accounting Records

The Lincoln County School District will maintain records which adequately identify the source and application of funds provided for federally-assisted activities.

Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property and other assets. The Lincoln County School District must adequately safeguard all such property and will 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 prove 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.

Lincoln County School District (LCSD) adheres to the internal controls inherent within the accounting procedures as established by the State of Nevada for all school districts. LCSD follows GASB and FASB regulations relative to accounting processes and reporting. The Board supports the establishment and effectiveness of district internal controls as indicated in Policy (LCSD DJ) through established efficient procedures for accounting, reporting, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

- LCSD DJ-Purchasing Objectives
- LCSD DJ-Authorization for Purchasing
- LCSD DJC-Purchasing and Bidding Requirements
- LCSD DJG-Vendor Guidelines
- LCSD DJB-Petty Cash Guidelines

Budget Control

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

Prior to entering a purchase order, Lincoln county School District verifies adequate budget dollars in each federal award for each expenditure. The Superintendent/Designee approves requisition and purchase order before the Accounts Payable provides the Superintendent and the Board with expenditure reports that detail percentages of the budget expended monthly. All expenditures are recorded in ePage when requesting reimbursement.

LCSD DBE-Budget Preparation

Cash Management

Lincoln County School District will maintain written procedures to implement the cash management requirements found in EDGAR

Lincoln County School 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 or grant fund may be in the negative. LCSD continually monitors the activity within the Federal Projects fund to assure positive cash flow.

Allowable costs

Lincoln County School District will maintain written procedures for determining allowability of costs in accordance with EDGAR

All requisitions must be approved by the Superintendent or designee. Unallowable request for purchases are not approved.

D. Overview of the Financial Management/Accounting System

Lincoln County School District contracts with Visions (Tyler Technology), to provide an accounting software that meets state and federal requirements. The software has modules in asset management, payroll, purchasing. And general ledger.

Budgets are loaded into the above software system as soon as final approval is received. The budget is compared to ePage to ensure accurateness. The Director of Business Services is responsible for preparing and analyzing the budget, which will be uploaded into Visions prior to July 1.

Accounts payables are entered by the School Bookkeepers or Finance Clerk department, through the accounting software. The Superintendent or designee approves all requisitions and purchase orders in Visions prior to the School Bookkeepers or Finance Clerk placing the order. Once an order is delivered and invoiced, the District Accounts Payable Person processes checks for payment. A file from Visions is exported and matched to the bank statement for check reconciliation. Under 2 CFR 200.302, a recipient must track 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. Lincoln County School District meets these requirements by setting up project codes for each federal grant received. This prevents comingling of funds and provides more accountability.

Financial reports for federal grants are compiled by the Director of Business Services and verified by the Superintendent. In addition, the reports are prepared and submitted as specified by the financial reporting clause of each grant or contract award document. These reports include monthly and cumulative expenditures, project budgets, and balance remaining column.

E. Budgeting

The superintendent has the overall responsibility for budget preparation and will develop such procedures necessary to ensure that the proposed budget reflects all areas of district operation.

The Superintendent and Board will establish budget priorities for the district and will make appropriate recommendations related to those priorities. **(LCSD DBE)**

Reviewing and Approving the budget

Lincoln County School District's Budget Process for Federal Grants:

Superintendents or grant designee prepares an annual grants-based budget. The budget is then entered into ePage for final submission with the grant application for the next fiscal year. This is typically completed by May 31st to allow adequate time for review by Nevada

Department of Education personnel, any needed modifications, and finalization for a substantially approved budget by June 30th for the subsequent fiscal year.

Budget Preparation and Fund Balances

Once the Superintendent determines that all budget items are allowable and allocated to the correct chart of accounts, the budget is presented to the LCSD Board of Trustees for final review and approval. Generally, the budget receives final approval by June 30.

Upon approval by the LCSD Board of Trustees, a copy is presented to the Department of Taxation. Once approved by the Department of Taxation it is sent back to the Director of Business Services where it is loaded into the accounting system.

After Receiving the grant award letter

Upon receipt of the grant award letter, the Director of Business Services, and as appropriate building level administration will meet to discuss adjustment that need to occur. If the amount is changed (increased or decreased), then the Superintendent or designee of grant will determine the best appropriate allocation of the funds awarded.

Amending the Budget

The process for amending the budget is as follows:

Amendments to budgets are initiated by the Superintendent /Designee and Director of Business Services once the amendments are approved, a copy of the amended budget is modified with ePage. Only once the program budget is substantially approved can spending occur.

Budget Control

Lincoln County School District monitors its financial performance by comparing, reconciling and analyzing actual results with budgeted results. Reports are provided monthly to the Superintendent who compare budget with actual expenditures. These reports are public record and can be accessed by anyone. In addition, specific reports are generated upon request. The Director of Business Services and the Superintendent analyze the reports of comparisons on a monthly basis. If any potential area of concern is noted, the Superintendent and/or others involved are immediately notified to ensure no significant differences occur. Corrective actions could include budget amendments, program revaluation, and error correction.

Non-Comingled Funds

Lincoln County School District will not comingle any funds or other assets with those of any other Funds the district may have. Lincoln County School District will record any transaction to the correct grant or fund as soon as possible.

All Gross revenue received for grant revenue shall be identified and deposited into the correct fund established by the NDE Chart of Accounts. All revenue that is not direct deposited will be deposited in a timely manner and coded to the correct fund.

Accounting Records

All electronic accounting records are kept in Visions. Copies of monthly expenditures reports are kept by the Director of Business Services; an all accounts payable are kept in the Business Services Office. Records are detained in compliance with the State Records Retention Schedule. Journal entries are made within the accounting system by the Director of Business Services and are approved within software by the Superintendent. All transactions are reconciled with the bank statement monthly by the Director of Business Services. These statements are kept in a binder in the Business Services office. The district follows the State of Nevada Uniform Chart of Accounts if applicable.

IV. ALLOWABILITY OF COSTS

Expenditures must be aligned with the approved budgeted items. Prior District Board of Trustees approval is needed before any changes or variations from the District Board of Trustees approved budget and grant application are made. Deviations from the budget approved through the grant award must be reported to the federal agency or pass-through agency, and the agency's approval may be required before some budget changes can occur. 2 CFR 200.308

A. Delegation of Responsibility

When determining how the Lincoln County School District will spend its gran funds, the applicable Department Head or District Grants Manger 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.

B. Allowability Determinations

All costs supported by federal funds must meet the standards outlined in 2 CFR Part 200, Subpart E. The Department Head must consider these factors when making an allowability determination.

Part 200 sets forth general cost guidelines that must be considered, as well as rules for specific types of items, both of which must be considered when determining whether a cost is an allowable expenditure of federal funds. The expenditure must also be allowable under the applicable program statue along with accompanying program regulations, nonregulatory guidance and grant award terms and conditions.

Whichever allowability requirements are stricter will govern whether a cost is allowable.

Generally, costs must meet the following general criteria to be allowable: 2 CFR 200.403

Must be necessary and reasonable for the performance of the federal award.

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 the following: 2 CFR 200.404.

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the district of the proper and efficient performance of the federal award.
- The restraints or requirements imposed by such factors 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 individual incurring the cost acted with prudence in the circumstances considering responsibilities to the district, its employees the public at large, and the feral government.
- Whether the District significantly deviates from its established prices and policies regarding the incurrence of costs, which may unjustifiably increase the federal awards cost.

The determination of whether a cost is necessary will be 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.

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 federal award program.
- Whether the cost is identified in the approved budget or application.
- Whether there is a community service or infrastructure 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.

Must be 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.

Must be consistent with Lincoln County School District policies and procedures that apply uniformly to both federally financed and other activities of the district.

Must conform the any limitations or exclusion set forth as a cost principle in Part 200 or in the terms and conditions of the federal award as to the types or amount of cost items.

Must be consistent in 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 allocated to the federal award as an indirect cost or assigned under another award as an indirect cost.

Must be adequately documented.

All expenditures must be properly documented.

Must be calculated in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in Part 200.

Must not be included as a match or cost-share unless the specific federal program authorizes federal funds to be treated as such.

Some federal program statues require the nonfederal entity to contribute a certain amount of nonfederal resources to be eligible for the federal program.

Must be the net of all applicable credits. 2 CFR 200.406

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 purchases 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 stat relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate.

C. Cash Management

Generally, the District receives payments from a granting agency on a reimbursement basis. In some circumstances, the district may receive an advance of federal grant funds. This policy addresses responsibilities of the Lincoln County School District and District Grants Administrator and Program Director under those alternative payment methods. In every case, the district shall maintain accounting methods and internal controls and procedures that assure those responsibilities are met.

D. Reimbursement

The Lincoln County School District will initially charge federal grant expenditures to nonfederal funds. The District Grants Administrator or Program Director shall submit the reimbursement

request to the granting agency on the appropriate form through the grantor-designated portal or grantor agency. A copy of the reimbursement request shall be provided to the District Auditor and District Treasurer at the same time. All reimbursements shall be based on actual disbursements not on obligations. The District Grants Administrator or Program Directors will process reimbursement requests within the timeframes required by the grant agreement for disbursement.

Consistent with state and federal requirements, the Lincoln County School District will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for review upon request

E. Advanced Payments

When the Lincoln County School District receives advanced payments of federal grant funds, it must minimize the time elapsing between the transfer of funds to the district and the expenditure of those funds on allowable costs of the applicable federal program. The district shall attempt to expend all advances of Federal Funds in less than two weeks following District Board of Trustees approval of expenditures at regular Board of Trustees meeting.

When applicable, the strict shall use existing resources available within a program before requesting advances. Such resources include program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. 2 CFR 200.305 (b)(9)

The Lincoln County School District shall hold federal advance payments in insured, interest bearing accounts. 2 CFR 200.305(b)(8). The district shall not retain any interest on federal grant funds will be remitted annually to the federal awarding agency. *But see* 2 CFR 200.305(b)(9). Remittance of interest shall be responsibility of the District Treasurer's Office.

F. Travel Reimbursement

1. Authority

The Lincoln County School District shall reimburse administrative, professional and support employees, and elected officials for travel costs incurred in the course of performing services related to official business as a federal grant recipient.

2. Definition

For purposes of this policy, travel costs shall mean the expenses for transportation, lodging, subsistence, and related items incurred b employees and elected officials who are in travel status on official business as a federal grant recipient. 2 CFR 200.474

3. Delegation of Responsibility

Elected officials and District employees shall comply with applicable District policies and regulation stabled for reimbursement of travel and other expenses.

4. Guidelines

Travel costs shall be reimbursed on a mileage basis for travel using an employee's personal vehicle and or a per diem cost basis for meals, lodging, and other allowable expenses, consistent with the district's travel and training regulations.

Mileage reimbursements shall be at the rate approved by the District Board of Trustees for other District travel reimbursements. Per diem costs for meals, lodging and other allowable expenses are allowed as per the district's travel and training policy, which provides for reasonable reimbursements for such costs, and which are applied in similar circumstances across both federally funded and non-federally funded District activities.

All travel costs must be presented with an itemized, verified statement prior to reimbursement. In addition, if costs for lodging, other subsistence, and incidental expense are charged directly to the federal award, documentation must be maintained that justified the following 2 CFT 200.474.:

Participation of the individual is necessary to the federal award.

The costs are reasonable and consistent with the district's established travel and training policy.

LCSD DLC _Expense Reimbursement
LCSD GBC6_Work-related-travel
LCSD GBC6-AR-Wor-related-travael-AR

G. 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 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 Superintendent, Director of Business Services, and building administrators should keep in mind the difference between direct costs and indirect costs.

Indirect Costs

Indirect Costs are costs 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.

The Lincoln County School District may file an indirect cost proposal with the Nevada Department of Education. The present policy of the District is to not charge indirect costs to grants awards and does not have a Nevada Department of Education approved indirect cost plan in effect.

A. Selected Items of Cost

Subpart E of Part 200 sets forth principles to be applied in establishing the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost), at 2 CFR Sec. 200-420-200.475. These principles are in addition to the other general allowability standards and apply whether or not a particular item of cost is properly treated as direct cost or indirect cost. Meeting the specific criteria for a listed item does not by itself mean the cost is allowable, as it may be unallowable under other standards or for other reasons, such as restrictions contained in the terms and conditions of a particular grant or restrictions established by the state or in Lincoln County School District policy. IF an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

Department Heads and the District Grant Administrator are responsible for spending federal grant funds and for determining allowability and must be familiar with and refer to the Part 200 selected items of cost section. These rules must be followed when charging these specific expenditures to a federal grant. When applicable, employees must check costs against the selected items of cost requirements to ensure the cost is allowable, and also check state, LCSD and program -specific rules.

F. Standards of Conduct

The Lincoln County School District will maintain standards of conduct covering conflicts of interest and the actions of employees and District official engaged in the selection, award, and administration of contract. (2 CFR 200.112)

G. Employees-Time and Effort Reporting

When the grant award includes amounts to reimburse the district for employee compensation and/or fringe benefits, the District Grant Administrator and/or Department Head will ensure compliance with 2 CFR 200.430 Compensation – personal services and 2 CFR 200.341- Compensation-fringe benefits. *See Attachment A*. All District employees paid with federal funds shall document the time they expend in work performed in support of each federal program, in accordance with law.

Lincoln County School District employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. (2CFR 200.431)

The district shall establish and maintain employee policies on hiring, benefits and leave and outside activities, as approved by the District Board of Trustees. (2 CFR 200.431)

H. Record Keeping

The Lincoln County School District will develop and maintain a Records Management Plan and related policy and administrative regulations for the retention, retrieval, and disposition of manual and electronic records.

The district shall ensure the proper maintenance of federal fiscal records documenting the following (2 CFR 200.333):

1. Amount of federal funds.
2. How funds are used.
3. Total cost of each project.
4. Share of total cost of each project provided from other sources.
5. Other records to facilitate and effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and results

All records must be retrievable and available for programmatic or financial audit. The district will provide the federal awarding agency, external auditors, 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 District records which are pertinent to the federal award. (2 CFR 200.336(a)) The Lincoln County School District will permit timely and reasonable access to the district's personnel for the purpose of interview and discussion related to such documents.

Records shall be retained for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency of the cognizant /oversight agency for audit.

If any litigation, claim, or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims or audits have been resolved and final action taken. 2 CFR 200.332(a).

As part of the Records Management Plan, the Lincoln County School District shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal.

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.

The district shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, District policy and administrative regulations.

GRANT SUBRECIPIENT AND CONTRACTOR
MONITORING PROCEDURES

If the Lincoln County School District grants subawards of federal funding to other entities as subrecipients, the district shall be responsible for the following: 2 CFR 200.331.

1. Evaluating the entity for risk of noncompliance to determine appropriate monitoring practices.
2. Entering into a contract with the subrecipient which sets forth the parties' obligations and responsibilities, including provisions concerning the parties' obligations related to the grant award and federal laws and regulations.
3. Monitoring the subrecipient entity's implementation to ensure compliance with federal, state, and local laws, conditions of the federal funding award and District policy and procedures.
4. Notifying the subrecipient entity of identified deficiencies found during the monitoring process and ensuring that identified deficiencies are corrected.
5. Documenting and retaining records on subrecipient identification, notification, evaluation, monitoring, and corrective actions taken.

A. Definitions

For purposes of policies and procedures related to federal programs, the following definitions shall apply:

Contract - a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The terms as used here does not include a legal instrument, even if the entity considers it a contract when the substance of the transaction meets the definition of a federal program award or subaward. 2 CFR 200.22.

Contractor - an entity that receives a contract, as defined in law and regulations, by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. 2 CFR 200.23.

Pass-through entity - a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The district will serve as the pass-through entity in cases where it awards federal funding to a subrecipient as defined in this procedure. 2 CFR 200.74.

Subaward - an award provided by a pass-through entity to a subrecipient in order to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the passthrough entity considers a contract. 2 CFR 200.92.

Subrecipient- a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. (A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.) 2 CFR 200.93.

In the event the district disperses federal funds received through a federal award to other entities and assigns responsibilities to the outside entity to conduct a portion of the work, the district shall be responsible for determining, on a case-by-case basis, whether the agreement with such entity places the outside entity in the role of a subrecipient receiving a subaward of federal funding, or the role of a contractor. 2 CFR 200.330. In determining whether an entity is a contractor or a subrecipient, under the above definitions, the district should consider the guidance given in 2 CFR 200.330 as well as guidance given in any grant documentation or agreement. The federal granting agency may supply additional guidance and impose additional requirements to support the determination of an entity as a contractor or a subrecipient.

B. Contractors

District shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. 2 CFR 200.318(b). District shall also ensure that contractors' conduct does not threaten or undermine the terms and conditions of the Federal award. Bonding requirements shall be imposed on contractors as required by 2 CFR 200.325 or by the terms and conditions of the federal award. All contracts shall contain the relevant applicable provisions as required by 2 CFR Part 200 Appendix 11. 2 CFR 200.326.

The district shall take all necessary affirmative steps to ensure that minority businesses, women's business enterprises, and labor surplus area firms are used, when possible, as provided in the grant agreement and in 2 CFR 200.321, see Attachment C. 2 CFR 200.321

C. Subrecipients

The district shall notify subrecipients that they have been identified as a subrecipient

and that the funding qualifies as a subaward. 2 CFR 200.331(a).

The district shall provide the subrecipient with the following information regarding the federal funding award at the time of the subaward, and shall also provide notice of change of such information:

1. Federal Award Identification information, including:
 - a. Subrecipient name (which must match the name associated with its unique entity identifier);
 - b. Subrecipient's unique entity identifier;
 - c. Federal Award Identification Number (FAIN);
 - d. Federal Award Date of award to the recipient by the federal agency;
 - e. Subaward Period of Performance Start and End Date;
 - f. Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
 - g. Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation;
 - h. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
 1. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - J. Name of federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
 - k. CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement;
 1. Identification of whether the award is Research and Development; and
 - m. Indirect cost rate for the federal award if applicable.
2. All requirements imposed by the district on the subrecipient so that the federal award is used in accordance with federal statutes, regulations and the terms

and conditions of the federal award.

3. Any additional requirements that the district imposes on the subrecipient in order for the district to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports.
4. Either an approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, a rate negotiated between the district and the subrecipient.
5. A requirement that the subrecipient permit the district and auditors to have access to the subrecipient's records and financial statements as necessary for the district to meet all of its grant requirements and the terms of 2 CFR 200.331; and
6. Appropriate terms and conditions concerning closeout of the subaward.

D. Evaluation of Risk

The district shall evaluate each subrecipient's risk of noncompliance with law, regulations and the terms and conditions of the subaward to determine appropriate monitoring practices. 2 CFR 200.331(b).

The District Grants Administrator shall be responsible for evaluating risk based on the following factors:

1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits, including whether the subrecipient receives a single audit and the extent to which the same or similar subaward has been audited;
3. Whether the subrecipient has new personnel, or new or substantially changed systems and processes; and
4. The extent and results of any federal award agency's monitoring of the subrecipient.

The District Grants Administrator shall request adequate documentation from the subrecipient to conduct the evaluation of risk; such documentation may include, but

shall not be limited to, audit reports, financial reports, policies and procedures and detailed descriptions or users' guides of current systems and processes.

In addition to these factors, the district shall evaluate subrecipients for risk of noncompliance as specified in the subrecipient agreement.

Based on the results of the risk evaluation, the district may consider imposing specific conditions on implementation of the subaward, in accordance with applicable law and regulations. 2 CFR 200.331(c).

E. Monitoring

The district shall monitor the implementation and activities of each subrecipient as necessary to ensure that the subaward is used for authorized purposes, in accordance with law, regulations and the terms and conditions of the subaward, and that subaward performance goals are achieved. 2 CFR 200.331(d).

The district shall notify subrecipients of monitoring requirements and may provide technical assistance to subrecipients in complying with monitoring requirements.

The District Grant Administrator shall be responsible for monitoring of subrecipients. As part of the monitoring process, the district shall complete the following steps 2 CFR 200.331(d)(1)-(3).:

1. Review financial and performance reports required by the district.
2. Follow-up and ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the subaward provided to the subrecipient from the district detected during through audits, on-site reviews, and other means.
3. Issue a management decision for audit findings pertaining to the subaward provided to the subrecipient by the district, in accordance with applicable law and regulations.

Monitoring activities may also include in the following 2 CFR 200.331(e).:

1. Review of progress reports, financial reports, performance reports, and data quality.
2. On-site visits and reviews of the subrecipient's program operations.
3. Review of federal or state debarment lists.
4. Review of other agreed-upon procedures engagements as specified in

the subrecipient agreement, such as audit services as discussed in 2 CFR 200.425.

The district shall verify that subrecipients are audited as required by 2 CFR 200 Subpart F or other applicable law and regulations.

F. Follow-Up Action

The Department Director or designee shall provide subrecipients with written documentation detailing their monitoring results and listing any identified deficiencies. The district shall consider whether the results of monitoring indicate the need to revise existing District policy and procedures.

The district shall require subrecipients to take immediate action on issues involving ineligible or illegal use of federal funding and to notify the district of corrective action taken.

The district shall require subrecipients to develop a corrective action plan to address other identified deficiencies or noncompliance issues; such plan shall be submitted to the district within 30 days, and the district shall evaluate and monitor the activities taken by the subrecipient under the corrective action plan.

The District Grants Manager shall maintain all documentation on monitoring of subrecipients and corrective action taken during the monitoring process. The district shall report issues of noncompliance to the appropriate federal agency where required by law, regulations, or requirements of the federal funding program.

G. Remedies for Noncompliance

When monitoring activities identify issues of noncompliance that are not addressed through corrective action, the district may take the following actions 2 CFR 200.338.:

1. Impose specific conditions on the subrecipient, in accordance with applicable law and regulations.
2. Temporarily withhold cash payments, in accordance with applicable law and regulations.
3. Disallow or deny use of funds for all or part of the cost of the activity or action not in compliance.
4. Wholly or partially suspend or terminate the subrecipient agreement.

5. Recommend that the federal agency initiate suspension and debarment proceedings.
6. Withhold further awards or agreements for the project or program.
7. Take other remedies legally available, in consultation the district legal counsel.

H. Record Retention

The District Grants Administrator shall ensure that all documentation regarding subrecipient identification, notification, evaluation, monitoring activities and corrective action is maintained in accordance with District policy and procedures. Records shall be retained in accordance with applicable law, regulations, specific requirements of the federal program and the district's records retention schedule.

PROCUREMENT SUSPENSION AND DEBARMENT

This document is intended to integrate standard Lincoln County School District's purchasing procedures with additional requirements applicable to procurements that are subject to the federal Uniform Grant Guidance regulation. The district maintains the following purchasing procedures, in accordance with federal and state laws, regulations and District policy.

A. Responsibility for Purchasing

The district follows the requirements of the Local Government Purchasing act Nevada Revised Statutes Chapter 332.

LCSD EDA-Purchasing and receiving

B. Purchase Methods

When a request for purchase of equipment, supplies or services has been submitted and approved as outlined below, the procurement method to be used will be determined based on the total cost of the purchase as further outlined below. This procedure outlines the cost thresholds for determining when the quote or formal bidding procedures that are required by state law must be modified when making purchases for federally funded purposes, to comply with both state and federal requirements. Final determination of which purchasing procedures are to be applied is delegated to the Department Head under the authority of the District Board of Trustees.

1. *Standard Procurement Documents and Purchase Request Process*

Purchase requests by an employee must first be submitted to the Department Head. Purchase of all budgeted items or items approved by program grant manager must be initiated by use of a purchase order submitted to and signed by the Department Head. Staff shall use the applicable electronic purchase orders for purchase requests, which are pre-numbered and are accessible to designated purchasing staff in District Auditor's Office.

Purchase orders shall contain information including, but not limited to, the following:

1. Description of the services to be performed or goods to be delivered.
2. Location of where services will be performed, or goods will be delivered.
3. Appropriate dates of service or delivery.

Documentation on purchase orders and requisitions shall be maintained in accordance with the District's Records Management Policy and records retention schedule.

Contracts shall be reviewed by the District Legal counsel prior to District Board of Trustees approval or approval by the Department Head, whichever is applicable.

Contracts to which the Uniform Grant Guidance apply shall contain the clauses specified in Appendix II to 2 CFR Part 200 (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards), when applicable.

2. *Micro-Purchases Not Requiring Quotes or Bidding (up to \$10, 000)*

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold. For purposes of this procedure, **micro-purchase** means a purchase of equipment, supplies or services **for use in** federally funded programs using simplified acquisition procedures, the aggregate amount of which does not exceed a base amount of \$10,000.2 CFR 200.320(a).

The micro-purchase method is used in order to expedite the completion of its lowest dollar small purchase transactions and minimize the associated

administrative burden and cost. 2 CFR 200.67.

To the extent practicable, the district distributes micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified, and such suppliers offer effectively equivalent rates, prices, and other terms. 2 CFR 200.320(a).

The Department Head will be responsible to determine the equitable distribution of micro-purchases.

Micro-purchases may be awarded without soliciting competitive quotations if the Department Head considers the price to be reasonable. The district will maintain evidence of this reasonableness in the records of all micro-purchases. **Reasonable** means that sound business practices were followed, and the purchase is comparable to market prices for the geographic area. Such determinations of reasonableness may include comparison of the price to previous purchases of the same item or comparison of the price of items similar to the item being purchased.

Even if the cost of a purchase qualifies it as a micro-purchase, bidding or small purchase procedures may be used optionally when those procedures may result in cost savings.

3. Small Purchase Procedures (more than \$10,000 but less than the bid limits of \$100,000)

For purposes of this procedure, **small purchase procedures** are those relatively simple and informal procurement methods which do not exceed the bid limits in state law. 2 CFR 200.320(b). The following procedures may be used to acquire services, supplies equipment or to construct public improvements that do not exceed \$100,000, or to purchase equipment or to construct public improvements that do not exceed \$100,000. (NRS 332.065). Please note that purchases which exceed these amounts require formal competitive bidding pursuant to state law with exceptions (NRS 332.065).

Small purchases may be made without formal competitive bid/proposals so long as the Department Head or designee first obtains written or telephonic price or rate quotations from at least two (2) sources and maintains records of quotes as provided in state law. Such purchases may be approved by the Department Head, without District Board of Trustees approval, if the purchase is otherwise in compliance with NRS 332.065.

4. Formal Competitive Bidding

Publicly Solicited Sealed Competitive Bids:

For purchases in excess of the small purchase procedures discussed above (\$100,000 for purchase of supplies, services, equipment or construction of public improvements), sealed competitive bids are publicly solicited and awarded to the lowest responsive and responsible bidder as provided in state law. (NRS 332.065).

Procurement by sealed bids occurs when bids are publicly solicited and when a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. 2 CFR 200.320(C).

The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply:

In order for sealed bidding to be feasible, the following conditions should be present:

- a) A complete, adequate, and realistic specification or purchase description is available;
- b) Two or more responsible bidders are willing and able to compete effectively for the business; and
- c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a) Bids must be solicited from an adequate number of known suppliers,
- b) providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
- c) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
- d) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- e) A firm fixed price contract award will be made in writing to the

lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

- f) Any or all bids may be rejected if there is a sound documented reason.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. 2 CFR 200.320(c)(2)(iv).

Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

Competitive Proposals

When permitted, 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. 2 CFR 200.320(d). Competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The district shall comply with other applicable state and federal law and regulations, District policy and administrative regulations regarding purchasing by competitive proposals. The district may consult with the District Legal counsel in determining the required process for purchasing through competitive proposals when necessary.

If this method is used, the following requirements apply: 2 CFR 200.320(d).

- a) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
- b) Proposals must be solicited from an adequate number of qualified

sources.

- c) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

Competitive proposals shall be evaluated by the Department Head and/or the District Grants Administrator based on factors including but not limited to:

- Cost
- Experience of contractor
- Availability
- Personnel qualifications
- Financial stability
- Minority business, women's business enterprise, or labor surplus area firm status
- Project management expertise
- Understanding of District needs

The Request for Proposals shall state the relative importance of all factors to be considered by the district in selecting a proposal. Evaluations shall be completed in a timely manner and documented and shall be reviewed by the District Board of Trustees.

Non-competitive Proposals

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: 2 CFR 200.320(£).

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

Such purchases shall also comply with state law NRS 332

Contract Cost and Price

For every procurement action in excess of \$250,000 (including contract modifications), the district must perform a cost or price analysis. The method and degree of analysis is dependent upon the unique procurement situation. 2 CFR 200.323(a).

As a starting point, the district must make independent estimates before receiving bids or proposals.

The district must negotiate profit as a separate element of the price for each contract (1) in which there is no price competition, and (2) in all cases where cost analysis is performed. 2 CFR 200.323(b). To establish a fair and reasonable profit, the district must give consideration 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. Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices would be allowable for the district under 2 CFR Part 200 Subpart E. 2 CFR 200.323(c). The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used. 2 CFR 200.323(d).

The district may only use a time and materials type contract after a determination that no other contract is suitable, and only 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 (1) the actual cost of materials, and (2) direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. In such contracts, the district shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. 2 CFR 200.318U).

C. Contractor Selection

Contracts must be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the contract. 2 CFR 200.318(h). Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The district shall maintain records detailing the history of the procurement. 2 CFR 200.318(i) These records shall include, but are not limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

D. Suspension and Debarment

The district will not use federal funds (or any funds) to purchase goods or services from vendors, contractors or sub-recipients who have been debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Programs or activities. (2 CFR 200.205). Agreements with contractors will include a statement of by the contractor that they are neither debarred nor suspended by the Federal government. Vendors or contractor information will be verified on the on the federal System for Award Management (SAM) website (<https://www.sam.gov/SAM0>) prior to issuance of a purchase order or contract. This review will be documented in writing and retained in grant files. If a vendor is classified as debarred with a suspension date that precedes any agreement, a cost transfer will be made to remove the cost from the Federal award.

CONFLICTS OF INTEREST

This policy shall affirm standards of conduct established to ensure that Members of the District Board of Trustees, District Officers, and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.

A. Conflicts of Interest for Elected and Officials

The Lincoln County School District has adopted District Policy **GBB14-Conflict of Interest** concerning conflicts of interest among Members of the District Board of Trustees, District Officers and District Employees.

B. Standards of Conduct

The district maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and officers engaged in the selection, award and administration of contracts supported by a federal award.

No employee, officer, or agent may participate in the selection, award or administration of a contract supported by a federal award if he/she has a real or apparent conflict of interest, as well as any other circumstance in which the employee, District Board of Trustees, any member of his/her immediate family,

his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. 2 CFR 200.318(c)(1).

LCSD GBB14-AR-Conflict of Interest.

LCSD IGABA-Instruction in Ethics and Morality

The officers, employees, and agents of 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. Gifts of a nominal value may be accepted in accordance with District policy.

C. Organizational Conflicts

Organizational conflicts of interest may exist when due to the district's relationship with an affiliated organization that is a candidate for award of a contract in connection with federally funded activities, the district may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization. 2 CFR 200.318(c)(2).

In the event of a potential organizational conflict, the potential conflict shall be reviewed by the District Legal counsel or designee to determine whether it is likely that the District would be unable or appear to be unable to be impartial in making the award. If such a likelihood exists, this shall not disqualify the related organization; however, the following mitigating measures shall be applied:

1. The organizational relationship shall be disclosed as part of any notices to potential contractors.
2. Any District employees or officials directly involved in the activities of the related organization are excluded from the selection and award process.

A competitive bid, quote or other basis of valuation is considered; and

4. The district has determined that contracting with the related organization is in the best interests of the program involved.

E. Investigation

Investigations based on reports of perceived violations of this policy shall comply with District Resolution **GBB14-AR** (Conflict of Interest) as well as any governing state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results. In the event an investigation

determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies and the district shall take prompt, corrective action to ensure that such conduct ceases and will not recur.

Disciplinary Actions

Disciplinary Actions are addressed according to the processes and procedures addressed in the Negotiated Agreements for each employee group.

Mandatory Disclosure

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

In case of potential conflict, Lincoln County School District will notify the applicable federal awarding agency.

A. Contract Administration

Lincoln County School District shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders 2 CFR 200.318

1v. Property Management Systems

A. Property Classifications

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which 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.

Supplies 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.

Computing devices 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.

Capital assets 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.

B. Inventory Procedure (See Appendix for Additional Information)

LCSD DID- Property Inventory

C. Inventory Records

For each equipment and computing device purchased with state or 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 & Federal Programs Inventory Process

- Property that is sold - funds recouped or returned to the program from which they were purchased and new, similar items are purchased for replacement. 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.
- End of the school year a physical inventory is completed by school staff and the district technology designee at each school. All items are accounted for. If items are missing, then a thorough search is conducted until found or reported as stolen.

D. Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. It is the process of the Lincoln County School District Main Office that a physical inventory is conducted annually, at year end.

E. Property/ Equipment Maintenance

In accordance WITH 2 C.F.R.313(D)(4), Lincoln County School District property is to be used for school system purposes only. Personal use of school property inventory is not permitted.

If any item is broken, a work order is submitted to appropriate department for repair.

LCSD-EDC-Authorized Use of District Equipment and Materials

LCSD-EDB- Maintenance and Control of Materials

F. Lost or Stolen Items

Lincoln County School 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 computing devices are allowed to be taken off-site. The Technology Department (IT) is responsible for maintaining documentation of such property assigned to an employee or student. The staff and students are responsible for safeguarding property in their care. Computing property is inventoried and tagged by the Technology Department with a bar code tag identifying the item as property of the school district. Equipment that is lost or stolen is reported to the Technology Department as soon as the item is noticed missing. A thorough search is conducted, and when appropriate, a police and insurance report is filed.

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

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 Lincoln County School 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 that 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 Technology Department and 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.

G. 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.