

Rio Hondo Community College District



Federal Grant Policies and Procedures Manual

Pursuant to Requirements in 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Education Department General Administrative Regulations (EDGAR)

These federal grant policies and procedures are applicable to all federal grants awarded to the District. All employees who deal with federal grants must be familiar with them and must fully comply with all requirements contained herein.

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Introduction

Purpose

This manual sets forth the policies and procedures used by Rio Hondo Community College District (the District) to administer federal funds pursuant to Title 2 of the Code of Federal Regulations (2 CFR) Part 200, which took effect for non-federal entities on December 26, 2014. It also includes requirements and references from the federal regulations in EDGAR (Education Department General Administrative Regulations) as well as certain policies and laws pertaining specifically to the district.

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 or references the District's financial management system, including cash management procedures; procurement policies; inventory management protocols; procedures for determining the allowability of federal expenditures; time-and-effort reporting; record retention; and monitoring responsibilities. All employees of the District who deal with federal funds in any capacity are expected to review this manual to gain familiarity and understanding of the District's rules and practices and to comply with all requirements.

Effective Date

For awards made prior to December 26, 2014, the uniform requirements found in 34 CFR Parts 74 and 80 of EDGAR still apply. For awards made on or after December 26, 2014, the uniform grant guidance in 2 CFR Part 200 applies. Much of the substance found in the previous 34 CFR Parts 74 and 80 is now found in 2 CFR Part 200.

Scope

The policies and procedures contained within this manual apply to all federal grants received by the District and to all employees of the District.

Monitoring for Compliance and Consequences for Non-compliance

The District is responsible for complying with all requirements of each federal award (2 CFR 200.300[b]). Compliance with these policies and procedures is monitored by the District. Failure of a district employee to comply with any of these requirements may result in disciplinary action, up to and including termination.

Definitions

Definitions as they pertain to federal grants appear in two places: 34 CFR Part 77 - Definitions That Apply to Department Regulations, and 2 CFR Part 200, Subpart A, which relate to the policies and procedures in this document. District employees who deal with federal grants must be familiar with the definitions in both.

Two terms used frequently in 2 CFR Part 200 are "*state-administered grants*" and "*direct grants*." "*State-administered grants*" are those grants that pass through a state agency (i.e., a *pass-through agency*) such as the California Community Colleges Chancellor's Office (CCCCO) or California Department of Education (CDE). The majority of grants the District receives are state-administered grants. Both CCCCCO and the sub grantees must comply with the requirements in 34 CFR Part 76 in addition to the requirements in 2 CFR Part 200.

"*Direct grants*" are those grants that do not pass through another agency such as CCCCCO and are awarded directly by the federal awarding agency to the grantee organization. These are usually discretionary grants that are awarded by the U.S. Department of Education (USDE), NSF or by another federal awarding agency. In many instances, CDE may apply for a direct grant from the USDE on a competitive basis and then award sub grants. Or the District may apply directly from the USDE for a competitive grant. In either case, these grants are "*direct grants*," and the District must comply with the requirements in 34 CFR Part 75 in addition to the requirements in 2 CFR Part 200.

All of the requirements outlined in these policies and procedures apply to both *direct* grants and *state-administered* grants.

The federal provisions contained and referenced in this document apply to all non-federal entities receiving and expending federal funds. A "non-federal entity" as defined in 2 CFR Part 200 means,

“a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal award as a recipient or sub recipient.” Thus, for the purposes of these federal grant policies and procedures, a “non-federal entity” means a college, school district or non-profit organization.

Internal Controls

OMB §200.303 Internal controls

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.

(c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

The Government Accountability Office segments internal controls into five standards, and the District faculty and staff members should consider these five standards whenever managing grants, participating in audits, and making grant related decisions.

GAO: Five internal control standards

Control Environment

Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.

Risk Assessment

Internal control should provide for an assessment of the risks the agency faces from both external and internal sources.

Control Activities

Internal control activities help ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives.

Information and Communication

Information should be recorded and communicated to management and others within the entity who need it and in a form and within a time frame that enables them to carry out their internal control and other responsibilities.

Monitoring

Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved.

PRINCIPLES OF GRANT MANAGEMENT

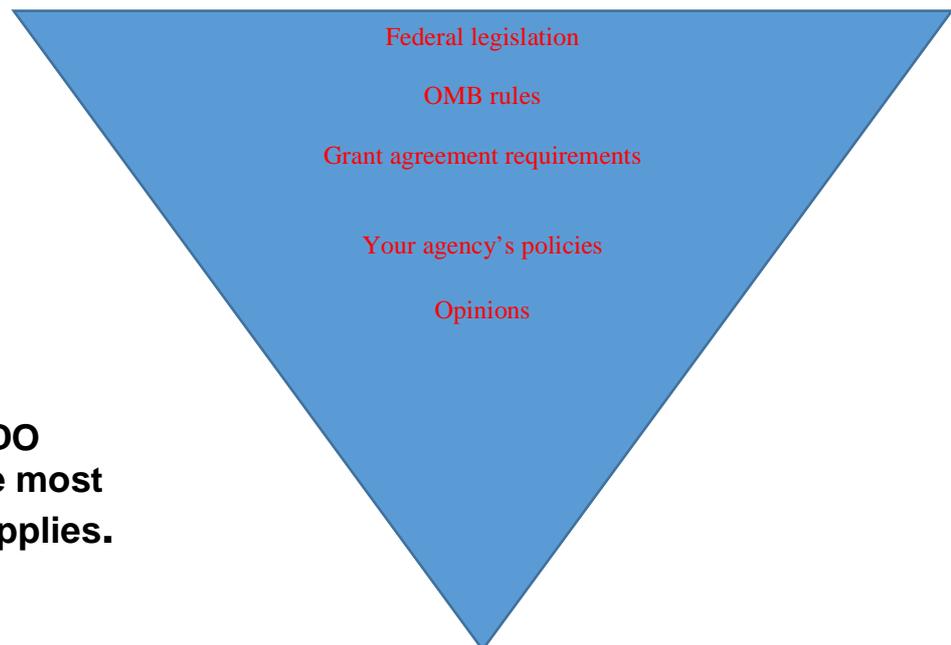
This chart shows the order in which rules are generally in effect when rules at different levels conflict, such as when a rule in the grant agreement is different or more restrictive than the policy in this manual. In that case, the grant agreement rule trumps.

When the rules are not in conflict, all rules must be followed (resulting in the most restrictive rule being the critical compliance threshold). For example, with record retention rules, the longest is the most restrictive period of time. With federal grants, the Office of Management and Budget requires grant documents are retained for at least three years from grant closeout or final formal inquiry. District policies requires that to be at least seven years. Adherence to the most restrictive rule will serve to meet all other rules.

District staff must read and monitor program and agreement rules closely to ensure compliance in those situations when the funder's rule is stricter than District policy.

**What
supersedes
what?**

**When the rules DO
NOT conflict, the most
restrictive rule applies.**



Effective December 26, 2014, the Office of Management and Budget requires compliance with what is called the OMB Super Circular or Uniform Guidance (2 CFR 200). This set of rules combined and replaced other previous circulars. Many of the provisions and requirements are the same as they were previously, but a few significant changes and priority areas were made in the new guidance. Grants that are signed after that date will be administered under the new rules. Grants that were signed before that date are generally governed by the old rules, although grants that have allocations approved through what OMB calls "incremental funding" will be subject to 2 CFR 200.

Major changes in the new guidance include an emphasis on the importance of internal controls and an emphasis on the importance of sub-award monitoring. Requirements for this second issue, sub-award monitoring and management, were significantly strengthened and built upon in the new rules, and the District and other entities that sub-award should review past approaches to ensure they meet new standards. Section VII of this manual includes OMB's revised sub-award standards.

Obtaining the Uniform Guidance:

An electronic copy of the Uniform Guidance can be located by searching online for "2 CFR 200." A version with an easy-to-use electronic table of contents is available at: http://www.ecfr.gov/cgi-bin/text_idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Allowable and **Unallowable** **Costs**

POLICY ON IDENTIFICATION AND TREATMENT OF ALLOWABLE/ UNALLOWABLE COSTS

Policy Statement

The Office of Management and Budget developed the Uniform Guidance (2 CFR, Part 200 Subpart E) describe the treatment of costs on sponsored project activities (direct and indirect) that can be billed to the federal government. The Uniform Guidance applies to all federally funded projects including federal funding through a non-federal agency. The cost principles also identify those charges that typically cannot be charged to sponsored awards and are considered Unallowable expenses.

The OMB Uniform Guidance (§200.420 through §200.475) lists costs that are Allowable and not Allowable as an expense on a Federal award. Many sponsors have policies that address costs that are Allowable.

Reason for Policy/Purpose

This policy outlines the allowability and importance the proper treatment of costs on federally funded projects.

Who Needs to Know This Policy?

Faculty and Staff associated with all federal grants (whether direct or pass-through).

Allowable Costs

- A cost that is Allowable must also be:
- Necessary and Reasonable for the performance of the award and be Allocable.
- Conform to any award limitations or exclusions.
- Consistent with policies and procedures that apply to both Federal and other non-Federal activities.
- Consistently treated.
- Determined in accordance with generally accepted accounting principles (GAAP).
- Not included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Adequately documented.

Reasonable Costs

- Typical tests to determine if a cost is Reasonable:
- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or 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 individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal government.
- Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

Allocable

This standard is met if the cost:

- Is incurred specifically for the sponsored project;
- Benefits both the sponsored project and other work of the District and can be distributed in proportions that may be approximated using Reasonable methods; and

- Is necessary to the overall operation of the District and is assignable in part to the sponsored project.

Direct Costs

The salaries of administrative and clerical staff should normally be treated as Indirect (F&A) 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.

Materials and supplies used for the performance of a sponsored project may be charged as Direct Costs. In the specific case of Computing Devices, charging as Direct Costs is Allowable for devices that are essential and Allocable, but not solely dedicated, to the performance of a Federal award.

Consistent treatment of costs is required on federal awards. A cost may not be assigned to a Federal award as a Direct Cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an Indirect Cost.

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.

Indirect Costs at higher education institutions are infrastructure costs of the District needed to support the programs of the institution, including research and other sponsored programs. Building depreciation, maintenance costs, the cost of electricity and heat, accounting services, personnel services, departmental administration, purchasing, and human subject administration are examples of Indirect Costs.

Compliance Review of Costs

The Program Manager or their delegate must perform a documented review of costs charged to sponsored projects in a timely manner to ensure allowability of costs in accordance the Uniform Guidance and/or the terms of the specific contract or grant. In addition to the review of costs, a comparison of expenditures with budget amounts must also be perform to verify budget accuracy and determine if a budget revision is necessary.

Unallowable Costs

Unallowable costs are defined as those expenses which are not reimbursable under the terms and conditions of federally sponsored agreements and/or those specifically identified as unallowable in 2 CFR Part 220, and Uniform Guidance (UG) Subpart E In the event a discrepancy exists between the provisions of UG and those specified within the sponsored agreement, the agreement provisions will prevail.

It is expected that costs will be posted to the correct grant or contract at the time of purchase. However, in the event that an Unallowable cost is discovered and the transfer of a charge is required, the transfer should be made as soon as the need for correction is identified. For payroll correcting entries, departments must transfer the costs within the fiscal year in which the original transaction occurred. If the payroll correcting entry is not made within the one-year correction period, a payroll correcting entry form must be completed and submitted to the Sponsored Programs Office for review and approval.

Certain Allowable non-sponsored expenses may be Unallowable for purposes of the F&A Cost Proposal. Examples include fines/penalties, commencement expenses, and fund-raising activities. Unique project numbers are used to identify Unallowable activities.

Unallowable costs are identified and segregated by a combination of the following methods:

- Separate account code
- Review of expenses conducted as part of a monthly reconciliation of expenditures by Grant Accountant and Program Manager.
- Review of expenses conducted by fiscal office personnel during closeout.

Cost Share

For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be Allowable under Subpart E—Cost Principles of the OMB Uniform Guidance.

Documentation

All costs on federal sponsored projects must be Allowable, Allocable and Reasonable in addition to being verified by someone in the position to know the appropriateness of the charge (e.g., the Program Manager). The Program Manager may delegate some of the duties associated with daily financial management of the award to appropriate staff in accordance with District policies, however, the Program Manager retains full responsibility for all activity on the award. Appropriate documentation must be maintained by the Department in accordance with District Records Retention Policy and the terms and conditions of the award.

At the end of the award, the Program Manager must certify that all expenditures reported in the general ledger for an award are Allowable in accordance with provisions of the award documents and, where required, corrections have been or will be made. If the Program Manager is not available, an individual with direct knowledge of the project (i.e., Program Manager's delegate) may certify on the Program Manager's behalf.

Appendix A

Examples of Unallowable Costs by OMB Uniform Guidance include:

Advertising and Public Relations Costs

The only allowable costs are those specifically required by a sponsored agreement, costs of communicating with the public and press pertaining to specific activities or accomplishments under sponsored agreements (these costs are considered necessary as part of the outreach effort for the sponsored agreement).

Alcoholic Beverages

Costs of alcoholic beverages are unallowable.

Alumni/ae Activities

Costs incurred for, or in support of, alumni/ae activities and similar services are unallowable.

Bad Debt

Bad debt, including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collections costs, and related legal costs are unallowable.

Commencement and Convocation

Costs incurred for commencements and convocations are unallowable.

Contingency Provisions

Contributions to a reserve or any similar provision made for events, the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of happening are unallowable.

Donations and Contributions

The value of services and property donated to the college is not allowable for reimbursement either as a direct or indirect cost, but may be used to meet cost sharing requirements. Donations or contributions made by the college, regardless of the recipient, are unallowable.

Entertainment Costs

Costs of entertainment, including amusement, diversion, social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

Fines and Penalties

Costs resulting from violations of, or failure to comply with, Federal, State, and local or foreign laws and regulations are unallowable.

Fund Raising

Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are unallowable.

Goods or Services for Personal Use

Costs of goods or services for personal use by employees are unallowable regardless of whether the cost is reported as taxable income to the employee.

Interest

Interest costs are generally unallowable, except for certain interest expenses paid to an external party to acquire equipment costing \$10,000 or more or to construct/acquire/renovate buildings, where such assets are used in support of sponsored agreements.

Lobbying

Costs associated with lobbying activities are generally unallowable. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable.

Losses on Other Sponsored Agreements or Contracts

Any excess of costs over income under any other sponsored agreement or contract of any nature is unallowable. This includes, but is not limited to, the institution's contributed portion by reason of cost-sharing agreements or under any recoveries through negotiation of flat amounts for indirect costs.

Memberships, Subscription and Professional Activity Costs

Costs of membership in any civic or community organization as well as costs of membership in any country club or social or dining club or organization are unallowable.

Pre-agreement Costs

Costs incurred prior to the effective date of the sponsored agreement, whether or not they would have been allowable if incurred after such date, are unallowable unless approved by the sponsoring agency.

Selling and Marketing

Costs of selling and marketing any products or services of the institution are unallowable.

Student Activity Costs

Costs incurred for intramural activities, student publications, student clubs, and other student activities are unallowable.

Taxes

Taxes from which exemptions are available to the institution directly or which are available to the institution based on an exemption afforded by the Federal Government, and in the latter case when the sponsoring agency makes available the necessary exemption certificates are unallowable.

Travel Costs

Airfare costs in excess of the lowest available commercial discount airfare, Federal Government contract airfare (where authorized and available), or customary standard (coach or equivalent) airfare, are unallowable except when such accommodations would: require circuitous routing; require travel during unreasonable hours; excessively prolong travel; greatly increase the duration of the flight; result in increased costs that would offset transportation savings; or offer accommodations not reasonably adequate for the medical needs of the traveler.

Definitions

Allocable - a cost incurred specifically for the program, or several activities but can be distributed between them in Reasonable proportion to benefits received, and is clearly necessary to the program.

Allowable - costs directly related to the performance of a sponsored award and permitted under its terms and OMB guidance that must be Reasonable, necessary, Allocable, and treated consistently with generally accepted accounting principles.

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 and acquisition cost of less than \$5,000.

Direct Cost - cost where a specific grant or contract gains explicit benefit from that cost for a specific programmatic purpose. (e.g., salaries, wages, fringe benefits, consultants, materials and supplies, equipment, travel, participant costs, tuition, and subcontracts).

Indirect Costs/Facilities and Administrative (F&A) - costs incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored award (e.g., depreciation of buildings and equipment, computing infrastructure, administrative services, utilities, and custodial services). Generally, these kinds of costs are identified, pooled, and charged against individual programs or funding sources using a rate designed to recover the costs.

Integral - the nature and purpose of the sponsored program lends itself to these types of personnel being essential in the completion and fulfillment of the stated aims and objectives.

Program Manager (PM) - is the holder of an independent grant administered by the District and the primary individual responsible for the preparation, conduct, and administration of the grant, cooperative agreement, training or public service project, contract, or other sponsored project in compliance with applicable laws and regulations and institutional policy.

Reasonable Costs - 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 was made to incur the cost.

Unallowable - those charges to an award that the sponsor determines to be Unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the grant or contract.

Accountabilities

Program Manager:

- Ensure that all disbursements from the award are:
- Reasonable and necessary to accomplish the project goals
- Allowable per the terms of the award and applicable regulations
- Properly authorized and documented
- Within the period of availability
- Reviewed timely and documented

Grant Accountant

- Monitor for Unallowable costs
- Timely transfer of Unallowable costs

Grant and Contract Time and Effort Certification Procedures

Policy Statement

This policy sets forth requirements for complying with Federal requirements for Time and Effort and Time Sheet maintenance associated with sponsored projects awarded to the District.

Reason for Policy/Purpose

To provide clarification and amplification of key policies governing District's effort reporting system. Effort reporting encompasses many processes, including committing effort, charging and cost sharing salary expense for effort, and certifying effort to support commitments and salary charges.

Who Needs to Know This Policy?

Faculty and Staff associated with all federal grants (whether direct or pass-through).

Federal Requirements:

As a recipient of federal funding, the District is required to comply with the Office of Management and Budget Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") as well as requirements for certifying effort expended on sponsored awards, 2 CFR Part §200.430, Compensation-personal services. Time and Effort Certification confirms the salaries and benefits charged to, or pledged as a cost share to, grant funded projects are reasonable and reflect the actual work performed. Section §200.430(i) states the standards for documentation of personnel expenses charged to Federal awards for salaries and wages must be based on records that accurately reflect the work performed, and that these records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into the official records of the non-Federal entity;
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensation activities (for IHE, this per the IHE's definition of IBS);
- Encompass both federally and all other activities compensated by the non-Federal entity on an integrated basis (teaching, research, administrative) but may include the use of subsidiary records as define in the non-Federal entity's written policy;
- Comply with the estimated accounting policy and practices of the non-Federal entity for Additional Compensation;
- Support the distribution of the employee's salary or wages among specific activity or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity;

Budget estimates (i.e., estimates determined before the services are performed) alone do not quality as support for charges to Federal awards.

The District has adopted an "After-the-fact" Time and Effort activity reporting process, not to exceed 100% of the compensated activities covered by the Institutional Base Salary (IBS), for all employees working on federal and other sponsored programs. The Program Manager of the grant or contract is responsible for facilitating Time and Effort Certification or Effort Reporting for the sponsored project. The Federal government requires an effort report when an individual is compensated by or has agreed to contribute time to a Federally sponsored project. The Program Manager on sponsored agreements is personally responsible to certify the amount of effort that the employees spent on sponsored activities.

What is time and effort reporting?

Effort is defined as the amount of time spent on a particular activity. It includes the time spent working on a sponsored project in which salary is directly charged or contributed.

Individual effort is expressed as a percentage of the total amount of time spent on work-related activities for which the District compensates an individual. Effort reporting is the mandated method of certifying to the granting agencies that the effort charged or cost shared to each award has actually been completed.

What is contributed or cost-shared effort?

Cost sharing represents that portion of the total project costs of a sponsored agreement that are not borne by the sponsor or sponsors of the project. These costs are borne by the District or other non-Federal third parties, rather than by the sponsor. Since salaries at the District are, in most part, paid for by sponsored projects, cost sharing of effort represents a redirection of income resources to support sponsored agreements.

Cost sharing can be required by the sponsor or volunteered by a program manager; regardless, any commitment of effort referenced in the project proposal or the award document must be honored, reported, and captured in an effort reporting system.

The difference between effort reporting and payroll distribution

Payroll distributions and effort reports are not the same thing. Payroll distributions are the distribution of an individual's salary, while effort reports describe the allocation of an individual's actual time and effort spent for specific projects, whether or not reimbursed by the sponsor. Thus effort reporting is separate from and can be independent of salary charges. Effort is not just a verification of the salary or payroll distribution. Cost-shared or contributed effort must be included in effort reports.

Frequency of Effort Reports

If an employee is expected to work **SOLELY** on a single federal award or state awarded project, hours must be documented on a "Time and Effort" report (T&E). The T&E report must be prepared at least quarterly (every three months). The report must be signed and dated by the employee and the Supervisor having firsthand knowledge of the work performed by the employee. The T&E report must reflect actual job duties. A job description is not sufficient.

If an employee works on multiple federal/state awarded projects, the employee must maintain a T&E Report that accurately distributes time allocated to each program.

Multiple Cost Objective

An employee is considered to work on multiple cost objectives if he or she works on:

- More than one federal award
- A federal award and a nonfederal award
- An indirect cost activity and a direct cost activity
- Two or more indirect cost activities which are allocated using different allocation bases
- An unallowable activity and a direct or indirect cost activity

For employees working on multiple cost objectives, T&E reports must be maintained that reflect the following standards:

- **After-the-Fact-Record:** The T&E report must be a record created after the work has been executed. Projections of how an employee is expected to work or position descriptions are not sufficient.
- **Total Activity:** The T&E report must account for the total activity for which each employee is compensated, including part-time schedules and overtime.
- **Monthly:** The T&E report must be prepared at least monthly and must coincide with one or more pay periods. Employees with many changing tasks might want to prepare a more frequent T&E. However, the decision to keep T&E's more frequently should be decided by the supervisor.
- **Signed and Dated:** The T&E report must be signed and dated by the employee and the supervisor.

Sample T&E report

Rio Hondo College
 Federal Grants/ Programs
 Personnel Activity Report (PAR)

Employee's Name

Month:

Year:

A Direct Time	Account for all time worked per day																												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Name of the Federal Program:																													
National Science Foundation																													
Upward Bound																													
S3 STEM																													
Student Support Services																													
IDEAS																													
Perkins IV, Title 1, Part C																													
Perkins Title 1-b, Regional Consortia																													
TANF																													
Foster Kinship Care Education																													
Sub-Total																													
B Indirect Time																													
Administrative																													
Leave:																													
Sick																													
Vacation																													
Other																													
Sub-Total																													
C Grant Total																													

I certify this report to be accurate and an after the fact determination of my total activity for the reporting period.

Employee signature: _____ Date: _____

Supervisor's Signature: _____ Date: _____

Cost Sharing

Cost Sharing Policy

Federal Definitions of Cost Sharing

Cost sharing is defined as program or project costs not borne by the sponsoring agency. Cost sharing may include contributed effort, other College or agency matching funds, unrecovered facilities and administrative costs, (F&A, or indirect costs) and third-party in-kind contributions. OMB Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations", Subpart C, Section 23, requires that all cost sharing must:

- Be necessary and reasonable for proper and efficient accomplishment of project objectives;
- Be readily verifiable from the District's official records;
- Not be paid by the federal government under another award (except where authorized under federal statute to be used for cost sharing);
- Be provided for in the approved budget (when required);
- Not be included as cost sharing for any other sponsored award; and
- Be allowable under applicable cost principles and conform to other applicable Circular provisions.

There are two types of cost sharing: mandatory cost sharing and voluntary cost sharing.

- **Mandatory Cost Sharing:** Cost contribution required of the grantee by the sponsor as a condition of the award, such as the matching requirements of awards.
- **Voluntary Cost Sharing:** Is not required by the awarding agency as a condition of the award. However, some federal agencies expect some cost sharing commitment to be identified in the proposal. If voluntary cost sharing is included in the proposal, it will become mandatory cost sharing if accepted by the sponsoring agency as a part of the award (grant or contract).

The District will track all cost share commitments, ensuring commitments are met and that cost share complies with general requirements and specific agency or award requirements. All committed cost share is subject to review and approval by the President, Vice President for Academic Affairs, Vice President for Finance & Business and the program manager, for allowability, appropriateness and sufficiency.

The department with which the sponsored program or project is affiliated is ultimately responsible for meeting cost sharing commitments. If the proposed budget contains required matching funds, the District Grant Accounting Office should also review it to ascertain who is responsible for raising the funds externally prior to approval / acceptance of the grant.

Costs financed by departmental budgets or any other non-federal fund source(s) may be claimed as a cost sharing contribution for a federal sponsored award if they are directly identifiable with the applicable federal award and are contributed during the performance period of the sponsored award. Again, this depends upon how the cost sharing was proposed within the grant application. Costs which duplicate the types of costs included in the Facilities and District Administration Cost rate (indirect rate) and costs which are charged to another federal sponsored award cannot be used as cost sharing.

Cost sharing in the form of contributed effort must be identified and recorded via the District's Time & Effort Certification Procedures. The Time & Effort Certification Forms serve as documentation of cost sharing to be provided to the sponsoring agency when requested.

The District Grant Accounting Office is responsible for ongoing monitoring and oversight of this administrative procedure.

Cost Transfer Policy

COST TRANSFER POLICY

Policy Statement

To comply with allowability and allocability requirements of the Office of Management and Budget (OMB) Uniform Administrative Requirements Cost Principles for Educational Institutions or, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), it is necessary to explain and justify the transfer of charges to federal awards from other accounts. OMB federal requirements prohibit the use of cost transfers for the purpose of “convenience”, i.e., a transfer largely for the purpose of using unexpended funds on an award that is ending. Timeliness and completeness of transfer explanations are important factors in supporting allowability and allocability in accordance with federal requirements.

Definition

A cost transfer is an after-the-fact reallocation of costs, either labor or non-labor, to a sponsored funded award.

To be permissible, cost transfers must meet the criteria established for both timeliness and appropriateness. Cost transfers should be initiated as soon as possible after the original transaction, preferably within 90 days of the accounting date of the transaction. Requests for transfers after 90 days must include sufficient documentation and justification and will be considered on a case by case basis. The District is obligated to immediately remove incorrect charges made to sponsored accounts, regardless of time frame.

Typically, cost transfers are appropriate when they are allowable direct costs of the sponsored project and their purpose is to:

- Correct errors in processing the original charges;
- Move costs between funds for closely related work as defined by the project scope that is supported by more than one funding source;
- Reallocation of shared services;
- Transfer pre-award costs in accordance with the provisions of OMB federal requirements Uniform Guidance 2 CFR 200.308 Section d.1)
 - incur pre-award costs 90 calendar days prior to award or more than 90 calendar days with prior approval of the Federal awarding agency.

Inappropriate circumstances include, but are not limited to, the following:

- Transfers solely for the purpose of utilizing an unexpended balance;
- Transfers for the purpose of avoiding a cost overrun by charging another, unrelated sponsored agreement;
- Transfers that circumvent pre- and/or post-award restrictions;
- Transfers to avoid restrictions imposed by law or by terms of the sponsored agreement;
- Transfers to activities sponsored by industry, foreign governments or other sponsors shifted to federally sponsored agreements;
- Other transfers for reasons of convenience.

The following are not considered cost transfers and do not require the completion of a Cost Transfer Explanation and Justification Form:

Transfers of true overdrafts (off sponsored awards to unrestricted accounts). These transfers may be made in lump sum entries rather than identifying individual transactions.

- Transfers of expenditures between grants under the same award (i.e. between main and/or sub accounts), in cases where there are no sponsor restrictions on the funds set aside in a particular sub account.
- Transfers of pre-award expenditures that were charged to a departmental account, if the costs are allowable and allocable, and were incurred within 90 days before the beginning date of the award.
- Transfers of expenditures incurred within the period of performance of the award but charged to a departmental, unrestricted, or other non-sponsored account while awaiting the fully executed sponsored agreement.
- Transfer of an incorrect charge from a sponsored account to a non-sponsored account.

An account for an existing sponsored agreement must never be used as a holding account for any pre-award expenses, including labor.

The following are considered cost transfers and require the completion of a Cost Transfer Explanation and Justification Form (Appendix C):

- Transfers to correct data entry or clerical errors (i.e. to correct data entry or transposition error).
- Transfer of expenditures from a non-sponsored account to an existing award (i.e., to transfer project costs from the departmental account to the sponsored award because the sponsor issued a modification to the existing agreement rather than issuing a new award and therefore the account number remained the same).
- Recurring and routine transfers to allocate direct expenses (i.e. telephone toll charges and service center recharges). The costs must be allowable, charged in a timely manner, and allocated based on the benefit derived.
- Transfers of expenditures from the prior year account to the competing or noncompeting continuation account if permitted by the terms of the award. The explanation should contain the sponsor award number for both the prior year and the competing or non-competing continuation award.

Cost Transfers Made After the 90 Day Period

The District recognizes that there may be extenuating circumstances for cost transfers to be processed after the 90-day limit. Transfers which are not made promptly, due to extenuating circumstances, must include an adequate explanation for the delay. All cost transfers made after the 90-day period will be considered only after careful review and approval of the Vice President of Finance. Transfers over 90 days will require an explanation indicating the measures that have been put in place to prevent future occurrences. In addition, additional information may be requested if OSP determines that late transfer is indicative of a systemic problem.

Certain circumstances which necessitate a late cost transfer include but are not limited to the following:

- The official award document, including amendments or modifications, was received after the start date of the project, causing a delay in the establishment of an account number.

- The account number assignment was delayed because of negotiation issues which prolonged the award acceptance.
- The official approval from the sponsor for specific expenditures was received after the expense transaction(s) was processed.
- The official approval from the sponsor for specific actions, such as a no-cost extension, was received after the expense transaction(s) was processed.

Cost Transfers for Payroll Accounting Adjustments (PAA's)

PAA's are considered cost transfers and must be in compliance with the District's Cost Transfer Policy.

Departments are responsible for periodically reviewing effort distribution for appropriateness and accuracy of effort expended on all projects. It is recommended that the review be done monthly or no less frequently than quarterly. OMB federal requirements require adjustments to salary allocations in response to significant changes in work activity. Failure to adjust salary allocations in a timely manner will result in errors to salary charges to grants, leading to over/under recovery of salaries.

Procedures

Each cost transfer request must be clearly explained with supporting documentation. The Cost Transfer Explanation and Justification Form must be completed. The person initiating the transaction has primary responsibility for fulfilling these requirements and maintaining the related records. All records must be retained in accordance with the record retention requirements of the sponsored agreement and the District.

The written explanation and supporting documentation must clearly address **ALL** of the following:

- account originally charged and award/account to be charged;
- a description of the expense(s) being transferred;
- date of the original charge(s);
- documentation for the original charge(s) if not executed in Workday and/or other documentation that describes and supports the business transaction;
- why the receiving account was not originally charged;
- why it is appropriate to charge the receiving account.

Note: Transfers made after 90 days must include a justification for lateness. Explanations such as "to correct a clerical error" or "to transfer to a correct project" are not adequate and will be denied. Transfers of costs from one budget period to the next solely to cover cost overruns are not allowable.

Procedure for Payroll Accounting Adjustment Made Prior To the Certification of Effort

- Modify the employee's costing allocation in Workday if necessary
- Submit a PAA for any retroactive changes in effort
- Submit certified effort report

- The PAA must include the appropriate justification as noted above

Payroll Accounting Adjustment Made After Effort Report Has Been Signed

It is strongly recommended that PAA's be requested BEFORE the Effort Report has been created for the period. However, it is recognized that there may be reasons or extenuating circumstances for labor to be redistributed after the certification statement has been issued and in some cases signed.

Once an Effort Report has been signed, no further adjustments to that individual's distribution of effort are allowed unless approved by the Vice President of Finance. Changes to previously certified effort erode the credibility of the certifier as well as the entire effort certification process.

Changes to a certified effort report are not allowed except in limited circumstances, which require the following:

- Sufficient documentation that supports allowability and allocability, and why the effort was originally certified incorrectly, and
- Approval of the Vice President of Finance or designee.

APPENDIX A

Roles and Responsibilities

The major responsibilities each party has in connection with the District's Cost Transfer Policy are as follows:

Cost Center Manager

- Review sponsored accounts on a regular (e.g. monthly) basis to ensure that all expenditures charged, both personnel and other costs, are correct and appropriate.
 - This review should include the determination that the charges are reasonable, allowable, and directly support the scope of work for that project.
 - Personnel charges should represent a reasonable reflection of employee's effort.
 - Any errors discovered must be corrected in a timely manner.
- Establish effective processes and controls to ensure compliance with this policy.
- Ensure sponsor funds are expended in a manner consistent with the policies and procedures of the District and the terms and conditions specified by external sponsors.
- Assume responsibility for or assign an administrator to process the expenditure in compliance with appropriate District policies and procedures, and departmental guidelines.
- Ensure appropriate documentation has been obtained; i.e. original receipt, written justification, etc. to support the transaction.

- Ensure appropriate approvals have been obtained.

Program/Project Manager

- Ensure sponsor funds are expended in a manner consistent with the policies and procedures of the District and the terms and conditions specified by external sponsors.
- Ensure appropriate documentation has been obtained; i.e. original receipt, written justification, etc. to support the transaction.
- Ensure appropriate approvals have been obtained.
- Review sponsored accounts on a regular (e.g. monthly) basis to ensure that all expenditures charged, both personnel and other costs, are correct and appropriate.
 - This review should include the determination that the charges are reasonable, allowable, and directly support the scope of work for that project.
 - Personnel charges should represent a reasonable reflection of employee's effort.
 - Any errors discovered must be corrected in a timely manner.

Finance Office

- Develop and implement cost transfer policies, procedures, and training in accordance with the regulations set forth in OMB federal requirements.
- Distribute effort reports for all employees identified as expending effort on sponsored projects.
- Monitor cost transfers to ensure compliance with the District's Cost Transfer Policy.
- Audit and confirm the allowability of cost transfers and facilitate any necessary corrections with the cost center manager.

APPENDIX B

Definition

Advance Account: An account that is established in the general ledger prior to the receipt of an award.

Allowable Costs:

Allocable - Incurred solely to advance the work under the sponsored agreement; benefits to both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods; necessary and deemed to be assignable in part to the sponsored agreement.

Reasonable - Necessary for the performance of the sponsored agreement; reflect the action a prudent person would take under the prevailing circumstances; in accordance with the sponsored agreement terms and conditions; consistent with established Institute policies and practices.

Consistently treated - Uniformly applied across all funds; incurred for the same purpose, in like circumstances and are treated as either direct costs or indirect (facilities and administrative) costs.

Cost Transfer: A cost transfer is an after-the-fact reallocation of costs, either labor or non-labor, to a sponsored funded award.

Direct Costs: Costs that can be identified specifically with a particular sponsored project; costs that can be directly assigned relatively easily to a project with a high degree of accuracy.

Effort: The proportion of time spent on activities related to an employee's duties, for which District compensation is received. Total effort must always equal 100%. External activities such as consulting are not included.

Facilities and Administrative Costs (F&A): Costs that are incurred for common or joint objectives, and therefore cannot be identified readily or specifically with a particular sponsored project. F&A costs include such items as utilities and other plant costs, and certain general expenses (e.g. salaries of administrative and clerical staff, office supplies, postage, photocopying etc.) that are to some degree attributable to the project/program. Costs normally treated as F&A costs cannot be charged directly to a sponsored project unless the specific activities related to the project are clearly different in type or significantly different in scale from the District norm.

Late Cost Transfer: A cost transfer that is requested to be made 90 or more days after the accounting date of the original transaction.

Sponsored Project: A project/program funded by a grant, contract, or cooperative agreement under which the District agrees to perform a certain scope of work, according to specific terms and conditions for a specified budgeted amount.

APPENDIX C

Cost Transfer Explanation and Justification Form

It is recommended that the following form be completed for all cost transfers. Alternative formats are acceptable if all information as specified by the recommended Cost Transfer Explanation and Justification Form is included.

Procedures:

- If cost transfer is made within 90 days of month end closing date, please answer questions 1 and 2.
- If cost transfer is made 90 days after end of month closing please complete questions 1, 2, 3, and 4, if applicable*.
- For journals, submit this completed form and supporting documentation via email to your Grant/Contract Accountant.
- For Payroll Accounting Adjustments, attach this completed form to the PAA entry in Workday.

1. Why was the expense(s) originally charged to the account from which it is now being transferred?
2. Explain why the expense(s) is being transferred to the proposed receiving account. Describe how the expense(s) directly benefits (i.e. are allowable and allocable) the award. **Ensure that no sponsor restrictions would preclude this transfer and that the transfer complies with sponsor and District policies.*
3. Why is this cost transfer being processed 90 days after the month end closing date of the original transaction(s)?
4. If applicable*, what corrective action has been taken to correct systemic problem(s) that would eliminate future need for cost transfers of this type?

**Frequent occurrences of late transfers over 90 days require completion of this question. In addition, Vice President of Finance may require you to complete this question if they determine the late transfer is indicative of a systemic problem.*

**APPENDIX C
Rio Hondo Community College District
Cost Transfer Explanation and Justification Form**

A cost transfer is a journal entry that transfers expenses onto an externally-funded sponsored project that was previously recorded elsewhere on District's General Ledger and requires institutional approval before it can be posted to the General Ledger. The completed Cost Transfer Form serves as institutional approval and is required for all journal entries subject to the Cost Transfer Policy. The Cost Transfer Policy provides guidance on determining if the journal entry requires the following Cost Transfer Form.

Procedures:

➤ If cost transfer is made within 90 days of month end closing date from the original transaction please answer questions 1 and 2.

**Note: 90 days means 90 calendar days from the 5th business day of the subsequent month in which the charge was originally transacted.*

- For example, if the original charge posted on 5/10/16, 90 calendar days are counted from 6/7/16.

- If cost transfer is made 90 days after end of month closing please complete questions 1, 2, 3, and 4.
- For journals, email the completed form and all supporting documentation to your Grant/Contract Accountant.
- For Payroll Accounting Adjustments (PAA), attach the completed form to the PAA entry in Workday.

1. Why was the expense(s) originally charged to the account from which it is now being transferred?

(Include identifying information: cost center, grant, employee, effort %, dollar amount)

2. Explain why the expense(s) is being transferred to the proposed receiving account. Describe how the expense(s) directly benefits (i.e. are allowable and allocable) the award.

**Ensure that no sponsor restrictions would preclude this transfer and that the transfer complies with sponsor and District policies.*

3. Why is this cost transfer being processed 90 days after the month end closing date of the original transaction(s)?

4. If applicable*, what corrective action has been taken to correct systemic problem(s) that would eliminate future need for cost transfers of this type?

**Frequent occurrences of late transfers over 90 days require completion of this question. In addition, Vice President of Finance may require you to complete this question if they determine the late transfer is indicative of a systemic problem.*

Cash Management

Purpose:

To establish cash management procedures for federal grant awards

Internal Controls

Applicable Uniform Guidance section: 200.61 & 200.303

The Uniform Guidance places strong emphasis on internal controls to reduce the risk of waste, fraud, and abuse in the stewardship of federal funding. Internal controls are the organizational processes we implement to ensure operational effectiveness and efficiency, reliability of internal and external reporting, and compliance with applicable laws and regulations.

The District is required not only to have effective internal controls, but to communicate and follow them. We must also monitor compliance and take action when we identify issues. Grant Managers and Fiscal Services will need to collaborate to meet these requirements. This will include stronger efforts to limit cost transfers and late salary transfers, to practice effective financial review and control throughout the award period and to adequately document transactions.

Procedure:

- A. Cash management options defined for grants
 - 1. Advance Payments – Amount requested to be paid limited to amounts needed to meet immediate cash needs.
 - 2. Working Capital Advance – Amount requested to be paid is based upon estimated disbursement needs for a period of time.
 - 3. Reimbursement – Amount requested to be paid were previously paid in full by the District (generally within 30 days of initial payment).

- B. The District generally draws federal funds from either the federal government (G5) or from the State on a reimbursement basis. Occasionally, other systems are used for one-time or ad-hoc grants. The following is an overview of the cash management procedures.
 - 1. Project directors and grant accountants approve all allowable grant expenditures. The District pays for the approved expenditures through the established payables and payroll processes.
 - 2. Grant expenditures are coded to respective program and funds that separate them from other college expenditures.
 - 3. A budget to actual expenditure report is reviewed by the project manager and grant accountants at the end of the month.
 - 4. Based on the expenditures on the summary report, the amount of the drawdown is calculated. The support for cash reimbursements is reviewed by the Project Director and Accountants for accuracy of calculation, completeness, and general adherence to grant(s) restrictions. When the support is deemed sufficient for the request, the Project Director will sign the required certification statement and that will give a grant accountant the authority to actually drawdown cash in automated systems. Program Director will authorize drawdown requests in those automated systems that require separate authorization from the employee requesting funds.
 - 5. A monthly budget to actual grants report is produced.

C. The general practice to fund grants on a reimbursement basis does not preclude the District for certain grants to seek advance payments or a working capital advance. When grant funds are drawn down in advance of anticipated expenditures, the District will do the following:

1. Minimize the time elapsing between the transfer of funds and the disbursement of those funds for grant related expenditures. The District will comply with the three-day rule, which requires the expenditure of funds within three days of the receipt of such funds. Excess cash balances will be returned to the sponsoring agency after the three days have expired.
2. Deposit all federal funds in an interest bearing account.
3. The District will return interest earned exceeding \$500 on federal grants annually to the respective Federal Agency.

Eligibility of Grant Awardees

Policy:

The specific requirements for eligibility are unique to each Federal program and are found in the laws, regulations, and the provisions of contract or grant agreements pertaining to the program.

This compliance requirement specifies the criteria for determining the individuals, groups of individuals (including area of service delivery), or subrecipients that can participate in the program and the amounts for which they qualify.

Equipment and Real Property Management

Policy

1. Unless otherwise specified, title to equipment and real property acquired by the District with Federal awards vests with the District.
2. Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained.
3. When equipment with a current per unit fair market value of \$5,000 or more is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate (percent of Federal participation in the cost of the original project) amount of the current fair market value.

Under OMB Super Circular rules, “items with a current per unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency” (as per OMB 2 CFR 200.313. e.1.). That means, from the federal government’s perspective, an equipment item becomes a supply item after it depreciates to be worth less than \$5,000. It is still, however, an equipment item that should be inventoried under the District’s rules until the value of the item drops below that set by the District (\$5,000).

4. With written approval from the Federal awarding agency, real property may be used in other federally sponsored projects or programs that have purposes consistent with those authorized for support by the Federal awarding agency. The District may not dispose of or encumber the title to real property without the prior consent of the awarding agency.

Note

OMB 200.313

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the 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, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

FAIN is the Federal Award Identification Number specific to that one grant agreement.

Matching, Level of Effort and Earmarking

Policy:

1. Matching or cost sharing includes requirements to provide contributions (usually non-Federal) of a specified amount or percentage to match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions). If proposed and included in the grant agreement, cost sharing becomes a requirement of the grant.

Some awards and sub-awards made with federal funds allow both in-kind and cash matches. The Uniform Guidance has requirements for calculating and documenting the value of in-kind matches for facilities, equipment, and volunteers in 2 CFR 200.306.

Following are several examples of federal rules regarding in-kind matches:

- a. Volunteers will be valued at the District entry level pay rate for the most similar position. If there is not a similar entry level position, Bureau of Labor Statistics wage data can be used to identify a fair minimum hourly value for that volunteer position (based on the area where the work is performed). The District's normal fringe can be counted with both methods. The work of volunteers should generally be documented using methods consistent with that used for employees such as time sheet style work schedules signed by the volunteer, the knowledgeable supervisor, or both.
 - b. District facility and equipment matching values will be based on the fair depreciation value. Only District facility space that is used on a regular daily basis toward that grant project can be counted toward a federal match. With funder approval, a fair rental rate can be used instead for the calculation. Otherwise, calculating the rate correctly generally requires a tape measure to determine percentage of floor space, which can then be used to calculate percentage of rent or percentage of depreciation. Borrowed facilities and equipment can be calculated at a fair documented rental rate.
 - c. Borrowed equipment can be calculated at the fair rental rate.
1. Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.
 2. Earmarking includes requirements that specify the amount or percentage of the program's funding that must be used for specified activities, including funds provided to subrecipients. Basic criteria for acceptable matching (cost sharing) are:
 - Verifiable from the non-Federal entity's records.
 - Not included as contributions for any other federally assisted project or program, unless specifically allowed by Federal program laws and regulations.

- Necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Allowed under the applicable cost principles.
- Not paid by the Federal Government under another award, except where authorized by Federal statute to be allowable for cost sharing or matching.
- Provided for in the approved budget when required by the Federal awarding agency.

Period of Availability of Funds

Policy:

1. Federal awards may specify a time period during which the District may use the Federal funds. Where a funding period is specified, the District may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.
2. If authorized by the Federal program, unobligated balances may be carried over and charged for obligations of a subsequent funding period. "Obligations" means the amounts of orders placed, contracts and sub-grants awarded, goods and services received, and similar transactions during a given period that will require payment during the same or a future period.

Grant expenses are generally allowed only for costs that are incurred during the grant period. No pre-award or post award costs will be billed to a grant unless it is approved by the funder and specifically allowed in the grant agreement, such as with the following three circumstances:

- a) Post award costs for closeout, such as staff time preparing a final report, are sometimes allowed by the grant agreement for 90 days after the end of the grant period.
- b) Specific pre-award costs with federal grants are sometimes allowed with funder approval in the grant agreement, with 90 days being the typical maximum pre-award period.
- c) Some funders, such as NSF, regularly allow pre-award costs for reasonable startup costs during a specific period before the grant agreement start date.

Procurement and Suspension and Debarment

Policy:

1. Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.
2. "Covered transactions" include those procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000 or meet certain other specified criteria.
3. The District must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

Note Additional requirements:

See procurement section of this manual. The District's procurement guidelines are subdivided in that section into the following policy sections:

- District's purchasing policies
- Additional requirements for procurement with federal dollars
- District procurement types and thresholds
- OMB competition requirements
- Full text of OMB procurement related rules
- Checking debarment and suspension of contractors
- Contract content requirements

Program Income

Policy:

1. Program income is gross income received that is directly generated by the federally funded project during the grant period. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds.
2. Program income may be used in one of three methods: deducted from outlays, added to the project budget, or used to meet matching requirements. Unless specified in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

Below is information on federal rules regarding income, and these paragraphs are summarized from 200.307 (in the OMB Super Circular). Income rules for a specific federal grant may vary by funder, although they generally involve the deduction, addition, or cost sharing/matching methods described below. The deduction method is in effect unless another method is set in the grant agreement.

OMB rules encourage non-Federal recipients to earn income to defray program costs where appropriate. Many funders in practice prefer that recipients avoid income to avoid the management issues involved.

The three types of methods generally used regarding income are as follows:

Deduction (aka subtraction). Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.

Addition. With prior approval of the Federal awarding agency, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award. Income used in this way is auditable during the grant period. Income that comes in after the close of the grant is not restricted in this manner.

Cost sharing or matching. With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award.

Income after the period of performance. There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or the terms and conditions of the Federal award provide otherwise. The Federal awarding agency may negotiate agreements with recipients regarding appropriate uses of income earned after the period of performance as part of the grant closeout process.

Reporting

Policy:

1. Each recipient must report program outlays and program income on a cash or accrual basis, as prescribed by the Federal awarding agency.
2. The standard financial reporting forms include the Financial Status Report (FSR), the Request for Advance or Reimbursement, the Outlay Report and Request for Reimbursement for Construction Programs, the Federal Cash Transactions Report and the Federal Financial Report.
3. Recipients shall submit performance reports at least annually but not more frequently than quarterly. These reports generally include a comparison of actual accomplishments with the goals and objectives established for the period, reasons why established goals were not met, if appropriate, and other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The District will strive to meet all reporting requirements of all funders and to avoid late Or incomplete reports. Most periodic grant reports are due within 30 days of the end of a performance period (usually quarterly or semi-annually). Final reports are usually due within 90 days of the end of the project.

OMB rules require federal grant funders and recipients use the following two documents for reporting purposes, although flow through grants (such as from a state agency) will use other forms:

1. SF-425 (the Federal Financial Report, also often called the “FFR.” This reports on expenditures and is completed by the Business Office.)
2. SF-PPR (the Federal Performance Progress Report. This reports on objectives, outcomes, and program compliance and is completed by the Program Manager)

Beyond these two standardized federal reports, federal grants sometimes require additional reporting, for example:

1. Sub-awards of \$25,000 or more must be reported by primary recipients of federal grants at www.fsrc.gov in accordance with the Federal Funding Accountability and Transparency Act. For example, if the District receives a grant directly from a federal funder and then sub-awards at or above this threshold to another college or another program partner, the award must be reported within the month following when it was made. See www.fsrc.gov for guidance. The requirements for this reporting process are likely to increase in the future when the federal DATA Act is implemented in 2018 (Data Accountability and Transparency Act of 2014).
2. Some funders may have a financial allocation office report in addition to the SF-424.

The District will complete required grant reports for state, local, foundation, corporate, or other funders as required. Most funders that require reports use a two-tiered system similar to that used in federal grants – one report for program matters, and another for financial activities.

Sub-Recipient Sub-Award Monitoring Policy

Sub-Recipient/Sub-Award Monitoring

Policy

SCOPE

This policy specifies the District's responsibilities for monitoring the programmatic and financial activities of its subcontractors / subawardees ("subrecipients") to ensure satisfactory performance and proper stewardship of sponsor funds.

POLICY STATEMENT

This policy addresses institutional responsibilities for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds. The following policy applies to all subawards issued under sponsored programs made to the District without regard to the primary source of funding. It is designed to assist program manager and ensure that subrecipients comply with applicable federal laws and regulations and with the provisions of any sponsored award that governs the subcontract/subaward agreement.

DEFINITIONS

Contractor (Vendor) – An organization or individual that provides goods or services within normal business operations. Contractors (vendors) may provide similar goods and services to many different purchasers, operate in a competitive environment, and provide goods or services that are ancillary to the operation of the sponsored project.

Pass-through entity – The Non-federal entity that provides a subaward to a subrecipient to carry out the program; sometimes referred to as the "prime" or "lead" organization.

Prime Recipient – The direct recipient of a sponsored award to support sponsored research, projects, or programs.

Program Manager/Director – A member of District faculty/staff who is responsible for the overall design, conduct, reporting and management of an externally sponsored project. The is the person who is most familiar with the subawardee's performance through e-mail, telephone conversations, technical meetings, progress reports, or site visits.

Sponsored Award – A funding instrument with terms and conditions in which the District agrees to provide a return benefit to, or agrees to provide a defined deliverable(s) for a sponsor in exchange for funds. The funding instrument may be a grant, contract, cooperative agreement, or similar document.

Subaward (subcontract, subgrant) – Enforceable agreement, issued under a prime sponsored project, between a pass-through entity and a subrecipient for the performance of a substantive portion of the program. It is a written agreement with a third party for the acquisition of services or goods, or for the conduct of prescribed activities or functions under the prime award where the subrecipient has responsibility for programmatic decision making and measurable performance requirements related directly to the prime award. These terms do NOT apply to the procurement of goods or services from a contractor (vendor).

Subrecipient (subcontractor / subawardee) – An organization that receives subawards from the District to carry out programmatic effort under District sponsored project. A subrecipient's performance is measured against whether the objectives of the sponsored program are met.

Uniform Guidance (2 CFR Part 200, et al)– Office of Management Budget (OMB) publication entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

POLICY

The District is required by Uniform Guidance, specifically §200.328, to evaluate each subrecipient’s risk of noncompliance. This evaluation consists of monitoring the activities of subrecipient organizations to ensure the subaward is in compliance with applicable Federal statutes and regulations and terms of the subaward, and verifying that subrecipients are audited as required by Subpart F of the Uniform Guidance. For non-federal awards, District may also be required by the sponsor to provide evidence of due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward and account for the sponsor’s funds.

Consistent with federal, state, and local regulations, and to ensure proper stewardship of sponsored projects, the District must undertake certain activities to monitor Subrecipients, including but not limited to Subrecipient pre-qualification, reporting, site visits, regular contact, and other means to provide reasonable assurance that Subrecipients administer and perform Subawards in compliance with applicable law, regulations, and the provisions of the District’s sponsored projects. Additionally, The District assesses, among other factors, the Subrecipient organization’s financial status and internal controls based on documentation from the Subrecipient and other independent sources, in order to determine whether to proceed with the Subrecipient. Based on that assessment, terms and conditions are established in the Subaward agreement to be consistent with the level of perceived risk and then the District identifies specific monitoring activities.

Failure to adequately monitor the compliance of subrecipients could result in reputational damage to the District and its Units, and jeopardize current and future funding. It is the responsibility of District, as the prime recipient, to ensure the good stewardship of sponsored funding and ensure that all funds assigned to subrecipient organizations receive the same diligence as sponsored funds that remain at District.

ADMINISTRATION AND MONITORING PROCEDURES

Distinction Between a Subrecipient and a Contractor.

OMB Uniform Guidance also makes a distinction between a subrecipient (substantive work) and a contractor:

A subrecipient is defined as “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.”

A contractor is defined as “an entity that receives a contract,” which is defined as “a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this Part does not include a legal instrument, even if the non- Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or sub-award”

The District as the pass-through entity, must make a case-by-case determination regarding each agreement it makes for the disbursement of Federal funds casting the party receiving the funds in the role of a subrecipient or a contractor.

Not all of the characteristics need to be or will be present to determine whether a non-Federal entity is cast as a subrecipient or a contractor, and the Uniform Guidance states that judgment should be used in each case.

Pre-Award Processing

During the proposal process, Program Manager will be responsible for:

- Making project role determinations on whether the applicant is a subrecipient or contractor. If a contractor role is assigned, subrecipient information will not be required.
- Obtaining all subrecipient(s) contact information.
- Ensuring the Subrecipient is not debarred.
- Providing a Prequalifying Questionnaire to all potential subrecipients and requesting that the questionnaire be returned at least 2 business days prior to the published proposal deadline if reasonable.
- Reviewing the budget to ensure an approved federally recognized indirect cost rate is used as outlined in OMB Uniform Guidance §200.331 and §200.414.

Post-Award Processing

After the awarding agency has approved the selection of a subrecipient, whether by issuing an award that contains provisions for a subrecipient or by approving the selection of a subrecipient the Program Manager will:

- Verify that the Prequalifying Questionnaire has been completed with all required information. Request any missing information from the subrecipient.
- Analyze potential risks in subcontracting with the subrecipient by using the Prequalifying Questionnaire to determine a subrecipient's risk rating.
- Determine what language is included in the subrecipient agreement based on the risk classification assigned to the subrecipient.
- Maintain the risk rating determination and the decision of subrecipient vs. contractor.
- Initiate the issuance of a subaward based on the Subrecipient entity, the terms and conditions of the Prime Award, and the Prequalifying Questionnaire.
- Provide the Subrecipient with required information as outlined in OMB Uniform Guidance §200.331.
- Outline special monitoring procedures or requirements for subrecipient compliance.
- Send a PDF of the document to the Subrecipient for signature by an authorized official and request the subrecipients to return the signed subaward or a partially-executed PDF of the document.
- After the subaward has been fully executed, forward a fully-executed subaward to the subrecipient and a copy to the appropriate Program Manager.

Fixed Amount subawards may be appropriate when awardees are meeting specific requirements of the Federal award and the amount is based on performance and results. Prior written approval from the agency is required. These subawards cannot exceed the simplified acquisition threshold of \$150,000. Post Award will notate if this is the funding mechanism.

Evaluating Subrecipient Risk Levels

Grant Development and Grants and Contracts Accounting (GCA) will use each subrecipient's Prequalifying Questionnaire along with their prior experience working with the same or similar subawards, and the results of previous audits to determine which risk level to assign to each subrecipient. Subrecipients assigned a risk level of medium or above will be notified of the decision and the reasons for the decision in writing.

Monitoring Process

Individual monitoring plans for each subrecipient will be based on the risk rating assigned to each subrecipient during the risk evaluation process.

Advance Payment of Funds to Subrecipients

In general, the District does not advance payments to Subcontractors, due to the liability it may create for the District. However, in exceptional circumstances, it may be necessary to advance funds to subcontractors if not doing so would jeopardize the performance of the project. The agreement between the District and the subcontractor must include specific language in the payment section stating the terms for advance payments and will be discussed at the outset of subcontract negotiations.

Indirect Costs Allocation

Purpose

The purpose of this policy is to provide information about allocation of indirect costs. The District must comply with the requirements of Uniform Guidance 2 CFR 200 and Cost Accounting Standards (CAS) 48 CFR 9905.501, 9905.502, 9905.505, and 9905.506.

Background

Cost Accounting Standard (CAS) 9905.501 requires consistency estimating, accumulating and reporting costs. Accumulation has already occurred at the object code level.

Cost Accounting Standard (CAS) 9905.502 requires consistency in allocating costs incurred for the same purpose. Proper care must be taken in allocating costs that are usually considered indirect.

Cost Accounting Standard (CAS) 9905.505 requires identification and correct treatment of unallowable costs. Unallowable costs must be identified and excluded. Unallowable activities must be identified and allocated to Other Institutional activities.

Cost Accounting Standard (CAS) 9905.506 requires consistency in the cost accounting period. This is necessary in order for accuracy in rate development and rate application. It requires that the same time period be used for the development of the indirect cost pools and direct cost pools (bases).

Definitions

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Code of Federal Regulations Title 2: Grants and Agreements Part 200 (2 CFR 200).

Direct Costs (200.413)

- 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. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

Indirect (facilities & administrative (F&A)) costs (200.56)

- Indirect (F&A) costs means those costs incurred for the 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.

Program Income (200.80)

- Program income means the gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Program income includes but is not limited to income from fees for services performed, the use of rental or 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.

Process

In order to correctly and fairly allocate indirect costs for the purposes of the indirect cost proposal, it is necessary to first identify and segregate costs as either direct or indirect in nature. (We call these segregated costs, cost pools.) This requires that costs are correctly recorded in the accounting system (recorded to the correct expense account code and program) and then carefully assigned to the appropriate cost pool.

Per 2 CFR 200: The overall objective of the indirect cost allocation process is to distribute the indirect costs to the major functions of the District in proportions reasonably consistent with the nature and extent of their use of the District's resources.

Once indirect costs have been grouped together in cost pools that are like in nature and in terms of their relative contribution to the particular cost objectives, the next step is to appropriately distribute these costs using an acceptable method. The distribution method(s) used to allocate a cost pool should be based on actual conditions at the District. 2 CFR 200 Appendix III lists the order of distribution required in the proposal as well as certain default methods for each cost pool category. It further states, "The essential consideration in selecting a base is that it be the one best suited for assigning the pool of costs to cost objectives in accordance with benefits derived; with a traceable cause-and-effect relationship; or with logic and reason, where neither benefit nor a cause-and-effect relationship is determinable." (Appendix III –A.2. d.1)

1. When a cost grouping can be identified directly with the cost objective benefited, it should be assigned to that cost objective.
2. If expenses in a cost grouping are more general in nature, they can be assigned based on a cost analysis study if this results in an equitable distribution of the costs.
3. If the expenses in a cost grouping are more general in nature, the distribution may be based on a cost analysis study which results in an equitable distribution of costs. Such cost analysis studies may be take into consideration weighting factors, population, or space occupied if appropriate. Cost analysis studies, however, must:
 - Be appropriately documented in sufficient detail for subsequent review by the cognizant agency for indirect costs,
 - Distribute the costs to the related cost objectives in accordance with the relative benefits derived
 - Be statistically sound
 - Be performed specifically at the institution at which the results are to be used
 - Be reviewed periodically, but not less frequently than rate negotiations, updated if necessary, and used consistently

Responsibility for Compliance

Responsibility for following these guidelines lies primarily with Finance and Accounting Grant Accounting Function which is responsible for development of the Indirect Cost Proposal.

Cost Analysis Responsibilities

Fiscal Services Director is responsible for developing the Indirect Cost Proposal and negotiating with the cognizant agency, The Department of Health and Human Services (DHHS) Division of Cost Allocation (DCA). The District produces the indirect cost proposal in accordance with Uniform Guidance 2 CFR 200 Appendix III and the related Cost Accounting Standards 9905.501, 9905.502, 9905.505 and 9905.506.

Participants Support Costs

Scope:

This policy sets forth the District's procedures for managing and processing support payments for participants or trainees (excluding District employees) funded through sponsored grants and contracts.

Policy Statement:

Participant Support is used to reimburse program participants for subsistence allowances, travel allowances, and registration fees associated with attendance at a workshop conference, seminar, symposium or other short-term training or information-sharing activity. Participant support costs are not to be confused with general travel costs, which may be incurred by program Manager and others as those costs relate to individual objectives and other projects. This policy ensures participant support costs are accounted for properly, expended for the appropriate and intended purpose, and are incurred, tracked, monitored and reimbursed in accordance with all applicable Federal and/or sponsor regulations.

All costs reimbursed or paid on behalf of a participant must be incurred within the project period, be program justified and be approved by the sponsoring agency. To ensure the funds are properly allocated and tracked for each participant, the budget for participant support costs must be accounted for separately. Additionally, participant support may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. As noted in the District's Negotiated Indirect Cost Rate Agreement (NICRA) with the Department of Health and Human Services (DHHS), the Total Direct Cost Base is used to calculate the Indirect Cost (Overhead) on all sponsored awards. Using this base calculation, Participant Support Costs must be excluded when calculating the indirect cost allocation on federal, federal flow-through, state, and foundation awards.

Process:

In order to be in compliance with the Uniform Guidance, the Program Manager and his/her administrative support personnel are required to retain records detailing:

- List of program participants and documentation of their participation in the program.
- Criteria by which participants in the program are selected.
- Copies of applications of selected participants, with documentation as to how they meet the selection criteria.

Additionally, the Program Manager and his/her administrative staff should ensure the following expenses, except when specifically allowed by the award, are not processed as participant support costs:

- Travel for Program Manager or project staff
- Multi-purpose travel (i.e., to attending a project related meeting)
- Travel for a consultant who is providing service to the District
- Event support cost (i.e., facility rentals, media equipment rentals, food/refreshments) not made on behalf of or paid to participants
- Entertainment/food for non-participants
- Honoraria paid to a guest speaker or lecturer
- Incentive payment to encourage an individual to participate in a survey
- Subaward to a provider for multiple training events (i.e., an ongoing contract with specific terms and conditions)
- Payments to a participant's employer to reimburse for the costs related to sending the employee to the project event
- Administrative expenses related to meetings

To ensure participant support activities remain separate from other project expenses, a separate object code (5885), which has been set up to be excluded from the Total Direct Cost Base, have been designated for use within the District's financial system of record.

Definitions:

Participant – an individual who is receiving a service or training opportunity from a workshop, conference, seminar, symposium or other short-term instructional or information sharing activity funded by a sponsored award. Project staff member(s) and/or students receiving compensation directly or indirectly from the grant are not considered participants. Also:

- District employees cannot be participants.
- Participants may not work or provide services for the project or program other than for their own benefit.
- A participant is not involved in providing any deliverable to the District or a third party.

Participant Support Costs (excluding training grants) – Are defined by NSF as, “direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects.

Program Manager/Director– A member of the District's faculty/staff who is responsible for the overall design, conduct, reporting and management of an externally sponsored project.

Sponsored Award – A funding instrument with terms and conditions in which the District agrees to provide a return benefit to, or agrees to provide a defined deliverable(s) for a sponsor in exchange for funds. The funding instrument may be a grant, contract, cooperative agreement, or similar document.

Subsistence Allowance – lodging, meals and incidentals when on travel status, training materials or other out-of- pocket costs associated with attendance at a workshop conference, seminar, symposium or other short-term training or information-sharing activity.

Travel Allowance – an amount paid to or on behalf of a participant for transportation costs incurred while under a travel authorization for the purposes of attending a workshop, conference, seminar, symposium or other short-term instructional or information sharing activity funded by a sponsored award.

Uniform Guidance (2 CFR Part 200, et al) – OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance), in particular sections §200.68, §200.75, §200.308 (c)(5), and §200.456. The Office of Management and Budget (OMB), within the Executive Office of the President, released the Uniform Guidance to the District/College community. The effective date was December 26, 2014.

Salary Compensation for Sponsored Projects

Scope

This policy sets forth the District's definition of Institutional Base Salary (IBS) and applies to all individuals whose salary is charged to sponsored projects, in whole or in part, and to all individuals who have committed effort to a sponsor but are not receiving salary support from the sponsor, also known as cost sharing.

Purpose of the Policy

This document establishes the definition of IBS and the requirements for proposal submissions and to meet the requirements of 2 CFR Part 200 that states:

"Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries...Costs of compensation are allowable to the extent that they satisfy the specific requirements of this Part and that the total compensation for the individual employees:

- Is reasonable for the services rendered and conforms to the established written policy of this non-Federal entity consistently applied to both Federal and non-Federal activities;
- Follows an appointment made in accordance with a non-Federal entities laws and/or rules or written policies and meets the requirements of Federal statute."

Additionally, total compensation must conform to 2 CFR Part 200 Standards for Documentation of Personnel Expenses (or 2 CFR Part 220, as applicable and in accordance with the terms and conditions of the federal award). See Policy Effort Reporting on this manual.

Financial penalties, expenditure disallowances, and harm to the District's reputation could result from the failure to accurately propose, charge, and/or document salaries relating to sponsored projects.

Institutional Base Salary (IBS)

IBS is the annual compensation paid by the District for an employee's appointment, whether that individual's time is spent on teaching, administration, or other activities. The IBS does not include overtime, overload, stipends, one-time payments or incentive pay.

May not be increased as a result of replacing District salary funds with sponsor projects funds;

Is established by the District in an appointment letter, or other similar documentation, regardless of the source of funds;

Institutional Base Salary in Sponsored Projects Proposals

When requesting salary support from a sponsor or providing effort on a sponsored project in the form of mandatory or voluntary committed cost sharing, the anticipated effort calculated in the form of person months or percent effort must be based on the individual's IBS. The portion of effort multiplied by the IBS will determine the appropriate dollars to request from the sponsor or approved by the District if in the form of cost sharing.

Note: Some sponsors may have a salary rate cap. Depending on the type of proposal submission the salary rate cap may or may not apply when preparing the proposal but the salary rate cap will apply once an award is made. Read sponsor proposal requirements for assistance.

Institutional Base Salary Documentation

At the time of hire, all employees should receive an official letter or other similar notification that includes their IBS. Employees receiving an adjustment in salary due to an annual increase or change in job title or assignment should receive a letter or other similar notification documenting their new IBS and the effective date of the change in IBS. All changes that provide an increase in IBS should also be done in writing.

Procedures

Salary Requests at Proposal Stage

- Project director shall adhere to this policy in the development of project budgets and shall collaborate with Sponsored Programs to adjust any noncompliant salary requests prior to the submission of proposals.
- Project directors shall verify salaries of individuals included in project budgets with Human Resources and shall work with Human Resources to secure salary quotes for positions that will be newly established as a result of an awarded sponsored project.
- The dean, and other appropriate administrative officials shall ensure that salary requested through a sponsored project is in compliance with this policy.
- Prior to the submission of proposals, Grant Development shall verify the accuracy of salary calculations and work with project director to make any adjustments necessary.
- Prior to the submission of proposals, Grant Development shall review all consulting arrangements to ensure that all conditions of this policy are satisfied. In the event that noncompliant consulting arrangements are included in a proposal budget, Grant Development shall work with the project director to make adjustments as necessary.

Salary Approvals Following Award

- If an award is made that results in a substantial (25% or more) reduction of effort of key personnel on an existing sponsored project, Program Director shall ensure that appropriate sponsor approval is secured for the effort reduction.
- Program Director shall review requests for approval of incidental work on sponsored project and shall provide approval or disapproval in a timely manner.
- Project Director shall ensure that personnel transmittal form of employees with effort committed to awarded projects are adjusted appropriately, both at the award stage and following effort certifications.
- Grant Accounting shall verify that consulting and summer pay have been approved in advance and shall process approved pay requests in a timely manner.

Grant Administration

Responsibilities

Project Manager/Director

- a) A project manager will be assigned to each grant. Project managers are responsible for ensuring the implementation of a plan of operation to achieve grant objectives.
- b) Project managers are responsible for the timely expenditure of grant/program funds. They are further responsible for ensuring that expenditures are necessary, reasonable, allowable, and allocable to grants as well as in compliance with the terms, conditions, rules, and regulations of the external grantor.
- c) Project managers are responsible for ensuring that equipment purchased with grant funds is only used for grant purposes. Fees associated with the use of any grant purchased equipment will be turned in by the property custodian to be counted as grant program income. Disposal of equipment purchased with grant funds will only be done after checking with grantor restrictions.
- d) Project managers are expected to conduct and/or oversee grant projects from inception to their completion and evaluation. Project managers are responsible for coordinating program objectives to ensure that any deliverables are met and documented.
- e) Project managers are responsible for interfacing with regulatory agencies, external auditors, and internal college staff regarding their programs/grants.
- f) Project managers, in collaboration with the grant accountant, are responsible for ensuring that only actual grant costs are charged to grants. Costs are to be split based upon a reasonable allocation method or rationale consistent with grant and/or contract guidelines as well as federal and/or state regulations and approved cost allocation methods or strategies. Project managers will review actual costs to budget at least monthly to identify potential unallowable costs, cost transfers, or cost overruns. The project manager will help to secure alternative funding and advise the accountant who will perform the journal entry to transfer the expenses from the grant.

Finance & Business Office – grants accounting

- a) The accounting office will assign an accountant to oversee every grant and to work with each project manager. The accounting office is responsible for maintaining a financial management system that meets the conditions and requirements established by the Federal Office of Management and Budget for federal funds or meets the requirements of other agencies in the instance of state, local, or private grants.

- b) The accountant will work with the project manager to develop a budget, establish a cost center, and to go over the general plan for the grant. The accountant is responsible for ensuring that funds are available when needed and that planned expenditures adhere to all laws, rules, terms, conditions, and regulations governing purchasing as well as any additional restrictions placed by the grantor and the college.
- c) The accountant is to authorize all expenditures for the grants he/she is responsible for in accordance with the allowable/unallowable cost policy.
- d) The accountant is responsible for monitoring the grant budget and is responsible for requesting and coordinating the request of budget amendments.
- e) For reimbursement grants, the accountant is responsible for ensuring the expenditures are invoiced in a timely manner. Cash management within the grant as well as fiscal reporting are the responsibility of the accountant.
- f) The accountant is responsible for maintaining a grant file for each grant that contains at a minimum the grant, the grant award notification, and a final summary expenditure report. In addition, the accountant is responsible for assisting with or coordinating the preparation of other necessary reports including continuation requests, progress reports, final reports and other filings required by the grant program. Copies of all reports filed related to a grant should be housed within the accounting office grant file.

Closeout, compliance verification, and documentation

Once determined that the project period has ended and all necessary administrative actions and financial obligations have been completed, the grant award or contract will be closed out.

- a) For all grants and contracts with a term of one year or longer, a meeting will be held between the project manager and grant accountant 90 days prior to the date that the grant or contract is scheduled to close. A review of the financial and program status will be discussed, and any necessary activities, including financial and performance reports needed to complete the objectives, will be documented and scheduled. Short-term grants and contracts must meet the same requirements, but the meeting will take place 30 days prior to the closing date.
- b) For grants or contracts that will not be renewed, a grant closeout notice will be sent to all project staff 60 days prior to the end of the performance and budget period. The primary purpose of the grant closeout notice will be to remind project staff of their responsibilities leading up to and following the grant or contract end. The grant

closeout notice will also provide a reminder that additional expenses received after the closeout date are disallowed to the grant or contract and will be charged to the corresponding department.

c) Required reports

- i. Financial reports – The grant accountant is responsible for preparing and submitting all interim and final financial reports set forth by the requirements and regulations of the grant award or contract to the appropriate funding agencies.
- ii. Performance reports – The grant manager is responsible for preparing and submitting interim and final performance reports. The grant manager is responsible for determining if the grant or contract has met the scope or objectives and has complied with all terms and conditions.

Final payment closeout

After the final financial and performance reports have been reviewed and authorized, the grant accountant will proceed in requesting a final payment.

Property

All equipment purchased with grant or contract funds become the property of the District at the end of the grant period unless otherwise indicated by the funding agency. All subsequent costs, such as maintenance contracts, will become the responsibility of the college.

Fiscal Management and Purchasing Procedures

Fiscal Management

Each department will utilize financial controls currently required of RHCCD, EDGAR OMB-Circular, and specific grant legislation. Audits will be conducted by the Office of Finance and Business on an annual basis. Records will be maintained on all project expenditures. All fiscal records will be coordinated with the College's purchasing system. All transactions will be processed through LACOE and verified with monthly Detailed Reports.

- The Dean will develop a budget for the academic year and have authority to expend funds appropriately and complete budget transfers as needed to meet the objective and goal of grant projects.
- The Dean's approval is required for all project expenditures, purchases, travel, and budget items.
- Rio Hondo Community College District Accounting Services office will conduct periodic internal reviews.
- All expenditures must have appropriate supporting documentation.

Purchasing

Contacts

FAX		562-463-7020
Director	Felix Sarao	562-463-3413
Buyer	Geno Mendez	562-463-7236
Buyer	Michael Knight	562-463-7237

Purchasing is responsible for the purchase of all supplies and equipment within the District. They are also responsible for recommending contractors for construction projects and for other outside services.

Within the purchasing function, the Purchasing Office exercises primary control of expenditures for services, equipment, supplies, and materials. Additionally, the Purchasing Office provides assistance to other departments in selecting the best product and service vendors, considering the needs and budgets of the user departments.

The Purchasing Office works within a framework of law and ethics within which competitive procurement can bring an optimal combination of quality, service, and affordability to the District.

In addition, the Purchasing Office performs various other duties:

- Receives requisitions, checks for completeness of data, inputs data to create purchase orders, faxes or mails copies of purchase orders to vendors and requesting departments.
- Reconciles daily warrant register, distributes warrants and mail to Auxiliary Business Services and mail room.
- Assists accounts payable in follow-up on merchandise delivery, invoices, etc., and assists in preparation of bid documents for mailing and compiling.
- Prepares bid specifications, advertises and distributes bids, conducts bid openings; places orders for supplies; advises on equipment purchases; quotes supply prices and verifies receipt of supply orders.
- Obtains price quotes by telephone and personal contact with vendors.
- Provides coordination, information, and assistance to District staff regarding purchasing matters.
- Maintains a catalog file and vendor list.

Purchasing Guidelines Competitive Shopping Guide

To ensure that the District is obtaining materials and services at the most competitive price, state law requires “comparative shopping” before the purchase is made. The guidelines for comparative shopping vary according to the size of the purchase, ranging from informal price quotes to official, advertised requests for sealed bids. The amount by which contracts shall be competitively bid escalate automatically based upon the annual adjustment by the Superintendent of Public Instruction. (Public Contract Code 20111a).

BIDS AND QUOTES

Informal Quotes

Purchases of \$1,000 to \$5,000 do not require price quotations, although recommended.

Formal Quotes

Purchases from \$5,000 to \$92,600 for services, equipment and materials will require three (3) formal written quotes. Purchasing or department shall obtain a formal quote that is written on company’s letterhead. Purchasing will perform and/or assist the site with this task.

Advertised Bids

All purchases that exceed the legal bid limits must adhere to the advertised bid procedure required by the State of California. The Board of Trustees must then approve the recommended award. District funds cannot be committed prior to Board approval on purchases of this size. Purchasing will facilitate advertised bids. The bid process may take six to eight weeks from the time of budget approval to the final authorization of the Board of Trustees. Current legal bid limit is \$15,000 for public works projects. (Construction related projects.) The bid threshold for formal bidding Under PCC 20111(a) is calculated, adjusted and effective January 1st of every calendar year through the State Superintendent of Public Instruction. The threshold for 2019 is \$92,600.

Sole Source

Any purchases of materials or services that are available from only one source require written documentation confirming such. This written documentation would take the place of the required formal quote/bid and will be obtained and approved by Purchasing. This is a very rare practice.

Pre-Existing Bids (Piggyback Clause, Public Contract Code 20118)

Purchases may also be obtained by using a Pre-Existing Bid. This type of bid must include the clause in the bid document at the time of bid opening and must be granted by the awarded vendor. Purchasing shall research these bids. A resolution or board agenda item is required to obtain items from a Pre-Existing Bid.

Note:

If purchasing computer equipment or software, please put in a request through RHCCD e-mail to computer helpdesk for a quote. This will ensure that your equipment will be maintained and supported by the District.

Relationship With Vendors

Vendors may be granted an interview upon request regarding their products or services. Requests for appointments shall be acknowledged and shall be granted as quickly as is possible, subject to departmental workload and availability of staff. Purchasing Office personnel, however, are not required to indiscriminately place their time at the disposal of the vendor.

The Purchasing Office will not extend favoritism to any vendor. All purchases will be made on the basis of quality, price, and delivery terms offered for required materials and services.

Purchasing Office personnel shall not solicit funds or materials from vendors for any purpose.

When possible, Purchasing Office personnel will visit vendors at their place of business to familiarize themselves with the vendors' methods of operation and materials carried in stock, and to increase their knowledge of materials and services available to the District.

Procurement, Suspension, and Debarment

Purpose

To ensure contracts or purchases to an entity or agency are not made if they have been Debarred or Suspended by the federal government.

Policy Statement

The Federal Government prohibits expending federal funds on goods and/or services from any entity Suspended or Debarred from doing business with the federal government. Procurement of goods and/or services with federal funds from a supplier or contractor should be checked for Debarment before purchasing and/or awarding a contract or subaward.

Debarment should be checked prior to purchasing or contracting with any entity or agency to ensure the entity or agency has not been Debarred or Suspended by the federal government at the System for Award Management (SAM.gov – previously EPLS) website (<http://www.sam.gov>). Each Program Manager is responsible to ensure all templates for any type of procurement transaction, and all procurement contracts and agreements for both goods and services must have the following verbiage included in the documentation immediately adjacent to the signature line:

“Debarment and Suspension Certification - The contractor (or vendor, or consultant, depending on the transaction) certifies to the best of its knowledge and belief that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency in accordance with Executive Order 12549 (2/18/86).”

The SAM website must be checked to verify the entity or agency has not been Debarred or Suspended prior to entering into a subaward with an entity or agency with federal dollars. The Program Manager must document the Suspension and Debarment verification by including a screen print of the Exclusions search in the subaward file. If the entity or agency is on the list, contracts cannot be approved until the entity or agency is removed from the Exclusions listing.

After a subaward is awarded, the Program Manager must verify the subrecipient is not listed on the SAM.gov website at the time an annual risk assessment is prepared during the life of each Federally funded subaward. The Suspension and Debarment verification must be documented by including a screen print of the Exclusions search with the other subrecipient monitoring documentation. If at any time the SAM.gov website indicates the subrecipient has active exclusions, no invoices will be paid until the entity or agency is removed from the exclusion listing.

Debarment

Certification Regarding Debarment, Suspension, Or Other Ineligibility Is Applicable To All Agreements Funded In Part or Whole With Federal Funds <http://www.sam.gov/>

- a. Supplier agrees to comply with applicable federal suspension and debarment regulations, including, but not limited to, regulations implementing Executive order 12549 (29 C.F.R., Part 98).
- b. Supplier certifies to the best of its knowledge and belief that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - (2) Have not, within a three-year period preceding the receipt of this purchase order, been convicted of, or had a civil judgment rendered against them, for: (a) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) or private transaction or contract; (b) Violation of Federal or State antitrust statutes; (c) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or (d) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects Suppliers present responsibility;
 - (3) Are not presently indicted for, or otherwise criminally or civilly charged by any government entity (Federal, State, Local), with commission of any of the offenses enumerated in b.2 above, of this certification;
 - (4) Have not, within a three-year period preceding the receipt of this purchase order, had one or more public transaction (Federal, State, Local), terminated for cause or default;
 - (5) Shall not, except as otherwise provided under applicable federal regulations, knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded by any federal department or agency from participation in such transaction; and
 - (6) Include in all lower tier covered transactions, and all solicitations for covered transactions, provisions substantially similar to those set forth herein.

RHCCD Debarment Procedures

In order to be compliant with the above Federal Debarment regulations RHCCD has established the following procedures:

1. The RHCCD Federal Funds Recipient (Department) is the first line of defense and knows that the firm, individual, or vendor that they are initiating a requisition for will be paid from Federal Government Funding or State program using Federal Government Funds. The Department is responsible for:
 - a. Checking the Federal website at: <https://www.sam.gov>
Click the "Search Record" button, you do not need to enter a username or password
Enter the search information such as company name, individual name, DUNS number or CAGE Code
Click on the "Search" button
Any information that matched your search criteria will be returned
Not all vendors are registered in SAM. If a vendor doesn't come up during a search, the vendor doesn't have an exclusion.
If multiple results are returned with the same name, you will need to verify the address to determine if you are viewing the correct vendor. You can view the address by clicking on the "+" next to the "Status"
If the indicator box is "green" and states "Entity" this vendor is not suspended or debarred.
When you are ready to search for the next vendor, click on the "Clear Search" button.
If the indicator box is "purple" and states "Exclusion" this vendor is suspended or debarred. You cannot purchase goods/services from this vendor.
 - b. Clearly mark their request for goods and services "**Federally Funded**".
 - c. If the Department knows of other funding sources (grants or restricted funds) requiring them to follow debarment guidelines, the same procedure should be followed.
 - d. Check the State of California website at: <http://www.dir.ca.gov/das/debarment.htm> for Division of Apprenticeship Standards – Debarments.
2. The Accounting Technician responsible for budget approval will verify that the requisition they are approving for a Federally Funded expenditure is clearly marked "**Federally Funded**" or will do so themselves before passing the requisition along to the Purchasing Department for processing.
3. The Purchasing Department staff will review all requisitions received for processing and pay special attention to those marked "Funded by the Federal Government". In cases where the requisition is marked "Funded by the Federal Government", Purchasing Staff will:
 - a. Make sure that the RHCCD Federal Funds Recipient (Department) has checked the debarment website and attached copy of page where firm, individual, or vendor would have been listed prior to process the request into either a contract or purchase order.
 - b. In cases where the RHCCD Federal Funds Recipient (Department) did not include a copy of the page from the Federal Debarment Website where firm, individual, or vendor would have been listed, Purchasing Staff will check the Federal Debarment Website themselves and either:
 - i. Attached copy of page where firm, individual, or vendor would have been listed prior to processing the request; or
 - ii. Return the requisition back to the Accounting Technician responsible for budget approval to disencumber the funds and further return the requisition to the RHCCD Federal Funds Recipient (Department) to change the firm, individual, or vendor to one that has not been debarred.
4. Send the Program Manager the procedure for expenditure of Federal Government Funding on a regular basis not less than once a year but no more frequently than quarterly.

Division Purchasing Guidelines

Warehouse Requisitions

- A. Use the new “stockless” inventory catalog available thru Contract Management and Vendor Services.
- B. When ordering from this catalog, use the warehouse as suggested vendor on the requisition. Items needed from the catalog shall include the catalog number, number of items and purchase price. Do not include sales tax.
- C. Items ordered will be delivered by the warehouse within a few days. If any items are not in stock do not re-order. The items will be delivered as soon as they are available.

Purchase Requisitions (Equipment & Supplies)

Used for any purchases or payment needed for the department outside of warehouse supplies.

- A. Type or write clearly on a standard requisition order form the items being ordered, with detailed descriptions of items. Attach any back up documentation, quotations, etc.
- B. Include item cost, shipping charges and sales tax.
- C. For Federally Funded purchases attach Debarment Cert. (see above procedures)
- D. Obtain Dean/Department Manager signature for approval and authorization of funds to be released.
- E. Retain Pink copy of signed requisition and copy of back up. File in appropriate contract binder. Submit original, (white/yellow copies) and original back up to Sofia DeLara in accounting for account coding.
- F. If the items to be ordered are audio visual or computer equipment, you will need to gain appropriate departmental approval (for equipment compatibility) prior to submitting to Sofia DeLara.
- G. Per requisition order, items are ordered from the vendor by Contract Management and Vendor Services. Purchasing has the authority to change the vendor when deemed necessary. (i.e. pricing, availability, etc.)
- H. Purchase order copies are distributed to Accounting (yellow), warehouse (pink), and Sofia DeLara (goldenrod). A copy is also sent to the department that originated the requisition to be filed with all requisition and documentation pertaining to the specific grant.
- I. Match Purchase Order to requisition in the contract binder.
- J. Items are shipped to the warehouse, which will deliver items to requesting department.
- K. Invoices should be sent from the vendor to the Accounting office. In the event an invoice is sent to the department of order in error, verify that invoice is correct and obtain Dean/Department manager approval. Forward to Accounts Payable.
- L. Upon receipt of material, the Warehouse will send the pink purchase order to Accounting as notification of delivery and will notify Contract Management of any discrepancies or damaged merchandise.
- M. Accounting office staff will match invoices, purchase orders (pink and yellow) and check for discrepancies regarding items, amounts prior to processing for payment.

Accounts Payable Contact

Hayde Gonzales- 562-463-7095 and Alice Yu 562-463-3404

Reimbursement Requisition Procedures

When an employee needs to be reimbursed for items that were purchased using their own funds, an itemized receipt showing what was purchased and how items were paid for must be attached to the requisition. In addition, the employee must prepare an invoice to the college and sign the invoice. Attach the invoice along with the original receipt to the requisition. Follow all other above requisition procedures.

Ordering at Amazon.Com

Amazon accepts Purchase Orders from RHCCD. Process Requisition following above procedures. Attach copy of item and quotation obtained from Amazon.com.

Purchasing Year End Cutoff

Each year a memorandum is disseminated to all areas of the campus. This Memorandum advises the last date of the current budget year that Purchasing Requisitions can be accepted by Accounting Services. You should purchase all capital equipment before the 2nd week of April of each year.

Warehouse Requisitions & Office Supply Orders

Remember to pre-plan for future supply and equipment needs as costs on small orders can often be misleading. Time and money can be saved, by ordering less frequently, but in larger quantities. To avoid delivery and deadline problems, allow plenty of time to order and receive your products. The deadline for ordering office supplies and items from the warehouse is the 1st week of June each year.

Contact Purchasing for the latest Warehouse catalog.

Canceling an Order

An order issued by a department can be cancelled by notifying the vendor. An order issued by Purchasing can be cancelled by simply notifying the originating buyer. Purchasing will then cancel the PO and notify the vendor by using a Purchase Order Cancellation.

Return of Equipment or Supplies to Vendors

The Purchasing Department should be promptly informed when damaged, defective, or non-ordered equipment or supplies have been delivered to a Department or Division. The Purchasing Department will arrange for return of the equipment or supplies to the vendor and will inform the requisitioner as to the pick-up and shipping arrangements which have been made.

Contact Michael Knight at mkinight@riohondo.edu or by phone 562-463-7237

Office Equipment Repairs

Each department covers repairs out of its own budget.

When your equipment needs repair and you have a Maintenance Agreement, call the repair service vendor and give them one of the following:

- 1.) Equipment ID Number
- 2.) Serial Number
- 3.) Purchase Order Number

Send a copy of the field service report that you have received from the repair person at the time of the repair to the Purchasing Department, (Geno Mendez). If you are in doubt if you have a Maintenance Agreement on your equipment, contact Geno Mendez at 562-463-7236 or gmendez@riohondo.edu.

District Credit Card Use Procedures & Contact

When a company will not accept a purchase by purchase order, the college credit card may be used.

- 1.) Prepare a requisition with the budget to be charged and details of the purchase, i.e. company purchased from, amount of purchase, and product. Make a note in the body of the requisition with the vendor contact person and phone number so credit card information can be provided. Have requisition approved by appropriate manager and Budget Control.
- 2.) Requisition should indicate "Credit Card Payment Required" in the Description area of the Requisition.
- 3.) Send your back up documentation, with appropriate signature authorizing payment as soon as possible.

SPECIAL NOTE: The payment due date for this account is the 15th of the month. If the account is not paid in full by that date, we are charged a finance/late fee. Due to the normal processing time to make payments, if your charge falls near the payment due date, the department could also be responsible for the late fees charged to the account.



FROM:

INVOICE

TO: Rio Hondo College 3600 Workman Mill Rd. Whittier, CA 90601	DATE: _____ REQUISITION # _____
--	--

Description	Total
Sub Total	
TOTAL	

OKAY TO PAY

Is It Equipment, Service Or A Supply?

Supply items should be charged to the 4XXX Object Code

1. Consumable with a normal service life of less than one year
2. Likely to lose their original shape and appearance with use
3. Easily broken, damaged or lost in normal use
4. More feasible to replace with an entirely new unit than to repair
5. Purchased for less than \$200 except some toners.

Services should be charged to a 5XXX Object Code

1. Maintenance
2. Repairs
3. Installations
4. Classroom Speaker

Equipment items should be charged to a 6XXX Object Code

1. Non-consumable with a service life of at least one year
2. Likely to be repaired rather than discarded if broken
3. Sometimes better or an addition to an existing asset
4. Purchased for \$200 or more

Inventory Procedures

Equipment Inventory Guidelines

EDGAR states that any "equipment" valued at \$5,000 or more that has a useful life in excess of one year needs to be inventoried. RHCCD guidelines state that equipment valued at \$1,000 or more must be inventoried.

The warehouse is responsible for tagging any piece of equipment valued over \$1000. If an inventory control number is not tagged to a piece of equipment contact Kevin O'Conner at extension 7214.

Equipment purchased with Grant funds must be included on the local/division master inventory list and physically tagged with Grant# and Funding Source.

Local Inventory List must include the following information:

- Inventory Number
- Serial Number or other Identification Number
- Description of Item
- Acquisition Date
- Cost of Equipment
- Location of equipment (Where it is housed)
- Last Physical Inventory Date

Physical Inventories are to be conducted at **least** every two years as per Federal guidelines.

If any equipment is missing, an investigation must be conducted. If the items cannot be located and the equipment was purchased with grant funds, the Project Director of the grant in conjunction with the Director of Grant Development shall report to the funding agency the missing items and await further instructions.

In addition, RHCCD requires that the employee discovering the missing equipment should complete an Unusual Occurrence/Incident Report and take to the Security Office along with a copy to Facilities Services. (See sample page 22) This Form can be located on the P Drive under HR Forms.

Items such as laptops and printers that cost less than the equipment threshold but that are easily stolen or damaged should also be tracked, especially those items that are purchased with Federal funds. Tag the equipment with the funding source and maintain an inventory log with check out column noting who actually possesses the item/equipment.

***Inventory/Audit Tip:** Inventory lists should be continuously updated to reflect any change in the location or status of an item, so the item can be located on demand.*

Disposition of Equipment

Federal/State Equipment Disposition Guidelines

EDGAR, Section 80.32, establishes specific rules for disposing of equipment, depending on what the equipment will be used for and the value of equipment.

When there is no longer a need for a piece of equipment for the original program for which it was purchased, the equipment may be used for other programs that are currently, or previously, supported with "like" funds. (i.e. Equipment purchased with 100% federal funds can only be transferred to another current or previously federally funded program.) If such a disposition is made, the transfer must be recorded in the Inventory Management System.

If there are no federally supported programs that need the equipment, EDGAR disposal rules are as follows:

- Determine current Fair Market Value of Equipment
- If Equipment is valued below \$5,000 – keep or dispose-no further obligation to EDGAR
- Equipment valued over \$5,000 - Grantee can keep or sell equipment but must pay EDGAR a share based on the percentage of federal participation in the initial acquisition.

RHCCD has established internal disposal guidelines which are more stringent than EDGAR:

1. Contact those in charge of the categorically funded equipment. Inform them that equipment is either no longer needed or broken.
2. Prepare a Transfer/Disposal Request for the items. (See sample page 24) Form is located on RHCCD P:Drive under FORMS
 - a. Forward written request to the Contract Management & Vendor Services department along with the list of surplus items for Board approval.
3. List of items to include, Manufacturer/Model Number/Serial Number along with RHCCD Fixed Asset Tag# if available.
4. Refer to RHCCD Board Policy AP 6550

Inventory Control & Surplus Contact

Kevin O'Conner 562-463-7214



TRANSFER/DISPOSAL REQUEST

INSTRUCTIONS: Use this form to remove unwanted equipment or furniture from department inventory or to transfer it to another location. For removal to surplus, complete all information and put "surplus" in the "MOVE TO" field. For transfers, indicated building and room number where the property is to be moved from and to. Complete "Remove from Inventory" section if the property has already been removed from your area. Approval by the cost center manager(s) is required. Complete a work order form and retain pink copy for your files. Submit both forms to Contract Management & Vendor Services for approval. The approved forms will be routed to facilities after any update to our asset records.

SUBMITTED BY _____ DATE _____

DEPARTMENT _____ EXTENSION _____

REMOVE FROM INVENTORY BECAUSE:

- ↑ MISSING: Theft report number
- ↑ TRADE-IN: Replaced on PO Number
- ↑ DESTROYED: Explain
- ↑ OTHER: **Explain ie. Surplus items no longer needed by department**

Special Note: All property of the district must be offered for public sale when no longer needed. Do not remove from college premises or destroy any property without authorization.

Only list one item per line. Provide as complete a description as possible and include color if appropriate.

	DESCRIPTION	CONDITION	MAKE/MODEL	SERIAL	RHC TAG#	MOVE FROM	MOVE TO
1							
2							
3							
4							
5							
6							
7							
8							

SPECIAL INSTRUCTIONS: _____

Assigned to: _____	Completed by: _____
--------------------	---------------------

APPROVALS:

Originating Cost Center Manager

Receiving Cost Center Manager

Released by

Received By

Authorized by

Inventory Updated by

Travel Procedures

Travel Requests (TRs)

Reference: RHCCD Board Policy AP 7040

TRs are required for any meeting, event, training, or conference in which an employee is representing the institution outside of the District. (See sample page 30)

All Travel Requests (TRs) for professional development meetings and conferences must be submitted to the Dean/Department Manager for review and approval. All professional development activities must relate to the objectives and goals outlined in grant projects. Travel Requests are forwarded to the VP of Academic Affairs for approval.

In-State Travel Requests should be submitted a minimum of six weeks prior to scheduled travel dates with documentation including registration forms, details such as where, when, what, how much, topics of interest, and why.

Out-of-State Travel requires approval from the Board of Trustees and should be submitted two months prior to scheduled travel dates in order to allow ample time for Board Approval. All costs must be included. Out of state travel is not allowed without prior BOT approval.

Travel Request Authorization Form

- 1) Fill in traveler's name, department, job title, dates of travel, name and/or purpose of the conference/meeting and location. Attach detailed back up info about the conference i.e. email or flyer.
- 2) Enter all estimated costs in the designated fields. Check the Estimated Box on the form and also enter the Grant name on the Funding Source Line.
 - a. Hotel must be at least 20 miles from College
 - b. Meals: \$50.00 per day
 - c. Mileage cannot exceed cost of Airfare
- 3) The TR needs to be signed by the requestor and the Immediate Supervisor/Dean/Director. Forward the signed TR to Sofia DeLara for coding. Sofia will then forward to VP for approval. The TR form will be sent to the Accounting Office where funds will be allocated. A copy or your "approved" request (yellow) will be returned to you to complete your travel arrangements.
- 4) If travel is out of state, the President/Superintendent must also sign off on the travel authorization form before forwarding to Finance & Business to add to the upcoming Board Agenda. OUT of STATE TRAVEL REQUIRES BOARD APPROVAL. Note: No travel arrangements should be made until after the date of Board Approval.
- 5) If travel will be paid using State funds, Chancellor's Office prior approval is necessary. Please refer to pages 73 and 74 for Chancellor Office guidelines.
- 6) Many grants require **prior** approval from the project monitor as well. Attach a copy of your project monitor's approval to your TR if this is the case.

Advance/Payments

Upon receipt of an "approved" request, (yellow), advance payments can be processed. Attach a copy of the Approved Travel to all of the requests below.

1. Registration Fees: Submit a requisition and two copies of the completed registration to the Accounting office.

2. Room Deposit: Only the FIRST night of hotel is prepaid. Submit requisition along with a copy of the hotel room rate information with taxes listed.
3. Advance Payment for Individuals: **\$45 per day.** Form can be obtained in Finance & Business.
4. Obtain all proper signatures on requisition before sending to Accounting for processing.

Itemized Reimbursement Forms

All reimbursement requests for travel must be made within 30 days of returning from travel/conference. All reimbursements require original itemized receipts and will be processed according to the policies of RHCCD.

1. Fill out the Travel Expense Report, a copy should have been sent to you with the "approved" travel authorization from Accounting. (See samples pages 31 & 32)
 2. Fill out a requisition listing details; conference name, location, dates you attended conference and itemized amount spent. (Cost Center Managers ca
 3. nnot reimburse themselves, area VP or President must sign the requisition). Prepare requisition with items listed below.
 - a. Travel Expense Report
 - b. A completed requisition with original receipts for airfare, taxi/shuttle, parking, room charges, and meals to accounting. (Tape loose receipts to piece of paper)
 - c. A typed Conference Report to the Board of Trustees.
3. The cost center manager has to approve the requisition and sign the conference report. Forward the complete package to Sofia DeLara in accounting for processing. Karen will check for accuracy and forward to the VP supervising the Division for Conference Report approval.
4. Reimbursement **MUST** be submitted within 30 days from date of travel along with a conference report describing the main features of the conference or meeting and adding any recommendations for actions at RHC which grew out of these meetings and/or conference and describe its benefits.
5. Expenses under \$250.00, payment will be made shortly after verification. Expenses over \$250.00, your requisition will be forwarded to Contract Management & Vendor Services to have a Purchase Order issued and forwarded to Accounting for payment processing.

Mileage Reports

Mileage reports, (See sample page 33), must indicate date, place. Back up for report should be MapQuest with address to and from. Mileage reports must have approval from the appropriate supervisor. Submit to the Accounting Department prior to the end of the subsequent month for mileage reimbursement. (See AP 7405)

Trips of seventy-five (75) miles or more, in or outside of Los Angeles and contiguous counties, and trips beyond state boundaries require prior approval of the Board of Trustees.

Canceling Travel

1. If you must cancel travel arrangements **YOU** must notify Accounting and send back all the travel documents.
2. If any fees have been paid, (i.e. registration fees, hotel deposit, etc.) please make arrangements for these fees to be refunded back to the District.

Authorized Travel Agency Agreement

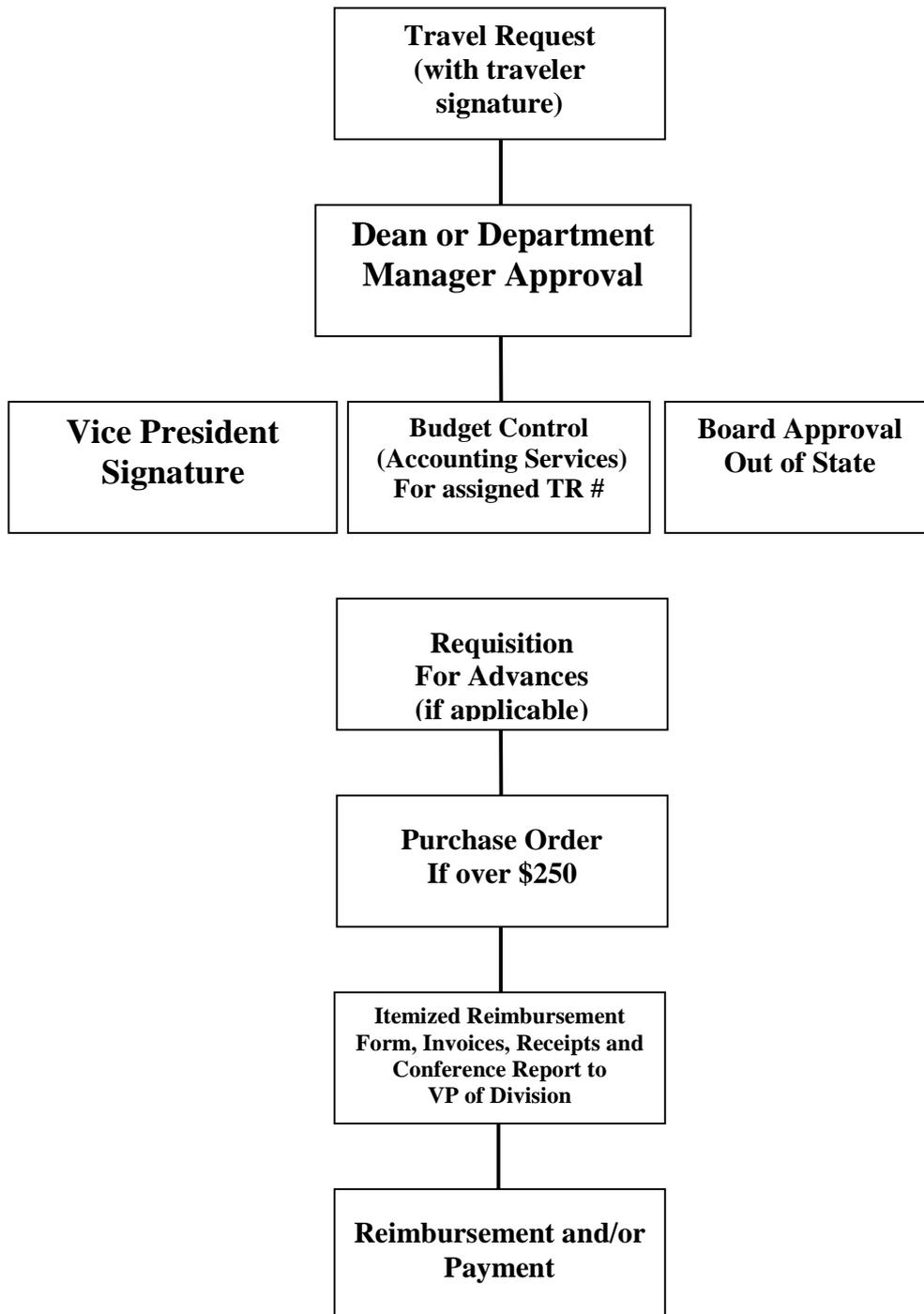
Purchasing has set up an account with Away-We-Go Travel agency. You must have an open purchase order in place before you place an order. The agency will provide on-line and live assistance.

Away-We-Go Travel

2453 W. Whittier Blvd.

La Habra, CA 90631

Rick Hanamoto – Phone 562-690-3339 Fax 562-691-6935



Rio Hondo Community College District
Request for Travel Authorization
 _____ Administrator _____ Faculty _____ Classified



INSTRUCTIONS: Submit this request in triplicate, properly signed by your supervisor. The upper portion is for your request details. Disposition will be indicated on the lower portion and a copy sent to you. If use of a college vehicle is required, complete a REQUEST FOR COLLEGE VEHICLE form at least two weeks prior to the date of your trip. If your request is approved, you will receive: 1) a copy of this request, indicating approval, 2) a requisition to be used when you return from the trip, and 3) an ACTUAL EXPENSE ACCOUNT form to record daily costs. Immediately upon your return, submit the completed Actual Expense Account form, the requisition (signed by your supervisor), and your conference report to the Accounting Office for reimbursement. Per Board Policy 3060 (Item IV), you have 30 calendar days after the conference to submit an ACTUAL EXPENSE FORM for reimbursement. If travel is out-of-state, your REQUEST FOR TRAVEL AUTHORIZATION must be submitted at least 6 weeks prior to your travel date to insure Board of Trustees approval.

DATE: _____ TO: Finance & Business FROM: _____ DEPT: _____	APPROVED BY: Supervisor _____ Appropriate Vice-President _____ Superintendent/President _____
---	---

Approval is requested for my attendance at the conference or activity listed below.

CONFERENCE OR ACTIVITY: _____

LOCATION _____ DATE(S) _____ NO. OF WORK DAYS FROM THE COLLEGE _____

PURPOSE: I WILL ATTEND THIS ACTIVITY AS A PARTICIPANT _____/PRESENTER _____ as described:

COST:

_____ Actual	_____ Estimated
Registration Fee	\$ _____
Hotel/Motel	\$ _____
Airfare	\$ _____
Mileage & Parking	\$ _____
Meals	\$ _____
Other (describe)	\$ _____
TOTAL COST	\$ _____

My absence _____ will, _____ will not require a substitute.

Amount Requested from District only \$ _____

Other Funding Source _____

Account # _____ \$ _____

SPECIAL INSTRUCTIONS REGARDING DEPARTMENT/DISTRICT FUNDING ARRANGEMENTS, ETC.

I UNDERSTAND THAT IF FOR ANY REASON I AM UNABLE TO ATTEND A CONFERENCE OR ACTIVITY FOR WHICH I HAVE RECEIVED BOARD APPROVAL, I WILL NOTIFY THE ACCOUNTING OFFICE IMMEDIATELY AT EXT. 3414.

REMARKS _____

Board Approval Date: _____ Signature of Requestor _____

Per Board Policy 3080 (Item IV), an actual expense account form for reimbursement must be submitted within 30 calendar days after the conference.

Receipts submitted for reimbursement must be originals. Copies will not be accepted.

TRAVEL REIMBURSEMENT ALLOWANCES

1. FOR TRANSPORTATION:

- a. When travel is by public carrier, claim shall not exceed the cost of coach airfare plus necessary parking and/or taxi service. Your **original voucher** (last portion of ticket) must be submitted with your claim.
- b. When travel is by private automobile between points having air service, the amount claimed shall be no more than the airfare. Mileage will be paid at **0.50¢** per mile, subject to the above limitation. When two or more persons can conveniently travel together by car, they are urged to do so.
- c. Charges for parking, bridge tolls and taxi must be specified with the **original receipt(s)** submitted for reimbursement

2. LIVING EXPENSES:

- a. **Lodging** - An **original** hotel receipt must be submitted with each claim. All personal hotel charges, including telephone calls will be deducted from the lodging bill.
- b. **Meals** - Reimbursement for meals shall not total more than \$50.00 per 24-hour day. Meals must be itemized by meal per day. When attending a conference/meeting as an official representative, the cost of conference meals will be reimbursed.
- c. **Other Expenses** - These include conference fees and college related telephone calls and telegrams. Entertainment expenses and tips can **not** be reimbursed.

RIO HONDO COMMUNITY COLLEGE
DISTRICT

ACTUAL EXPENSE ACCOUNT
Travel & Conference Attendance

DIRECTIONS: Keep a careful record of daily expenses on this form using more than one form if necessary. Immediately after your trip, send the completed form(s), with original receipts, a district requisition (signed by your supervisor), and your Conference Report to the Accounting Office. Reimbursement of approved funds expended will be processed as soon as possible after the required documents are received.

NAME: _____
 ACTIVITY: _____
 LOCATION: _____
 DATES: _____

Number of work days away from the college.

BOARD APPROVAL DATE: _____

EXPENSES:

Registration Fee..... \$ _____
 Auto: _____ miles @ ~~.50~~¢/mile..... \$ _____
 Rail/Airfare (Coach)..... \$ _____
 Taxi/Car Rental..... \$ _____
 Parking..... \$ _____
 Portage..... \$ _____
 Hotel: _____ nights @ \$ _____/day. \$ _____

TOTAL OF PAGE #1 \$ _____

Actual Expenses continued:

MEALS:

Date: _____
 Breakfast \$ _____
 Lunch \$ _____
 Dinner \$ _____
 Other (specify) \$ _____

Date: _____
 Breakfast \$ _____
 Lunch \$ _____
 Dinner \$ _____
 Other (specify) \$ _____

Date: _____
 Breakfast \$ _____
 Lunch \$ _____
 Dinner \$ _____
 Other (specify) \$ _____

Date: _____
 Breakfast \$ _____
 Lunch \$ _____
 Dinner \$ _____
 Other (specify) \$ _____

Date: _____
 Breakfast \$ _____
 Lunch \$ _____
 Dinner \$ _____
 Other (specify) \$ _____

TOTAL OF PAGE #2 \$ _____

RECAPITULATION

Total of Page #1 \$ _____
 Total of Page #2 \$ _____
Subtotal: \$ _____

Less ADVANCE PAYMENTS if any:

Registration \$ _____
 Hotel Advance \$ _____
 District credit card \$ _____
 Advance Payment \$ _____
Subtotal \$ _____

REIMBURSEMENT AMOUNT DUE TRAVELER \$ _____

I hereby certify that this claim form meets the provisions of Education Code Section 35172 for Board Members, or Education Code Section 87032 for employees and is for actual and necessary expenses in accordance with adopted Governing Board policy. The supporting receipts and documents are on file in the District office and available for review. Funds expended do not exceed the amount previously budgeted for such purposes by the Governing Board.

★ ★ ★ ★ ★ ★ ★ ★

The above expenses were actual and necessary for the approved activity attended.

Signature: _____

Department: _____



REQUEST FOR MILEAGE ALLOWANCE & PAYMENT*

(SUBMIT PRIOR TO TRAVEL)

DIRECTIONS:

Before Traveling: Complete Section I and submit to your supervisor and the appropriate administrator for approval. Send the top two (2) copies to the Accounting Office. Retain the 3rd and 4th copies for future use when requesting payment for the travel involved.

After Traveling: Complete Section II, using the copies you have retained. Submit the two copies to your supervisor for signature. Send both copies to the Accounting Office so that payment can be processed.

SECTION I – ALLOWANCE REQUEST			
DATE _____	APPROVAL:		
TO: ACCOUNTING OFFICE	_____		
FROM: _____	Signature of Immediate Supervisor		
Employee (Print Name)	_____		
	Signature of Division Administrator		
<i>I request authorization to use my vehicle to transact college business as listed below:</i>			
DATE(s)	DESTINATION (s)	PURPOSE OF TRIP(s)	APPROX. MILEAGE
Approximate Total Miles: _____			
SECTION II – PAYMENT REQUEST			
DATE _____	APPROVAL:		
TO: ACCOUNTING OFFICE	_____		
FROM: _____	Signature of Immediate Supervisor		
Signature of Employee	_____		
<i>I request reimbursement for charges incurred for the use of my vehicle to transact school business as approved above.</i>			
TOTAL ACTUAL MILES TRAVELED _____			
@ ³⁶⁵ .35 per mile = \$ _____			
Account # _____			
*Detailed regulations regarding mileage allowance and payment can be found in Board Policy 3340.			

Rev. 05/05

CHANCELLOR'S OFFICE OUT OF STATE TRAVEL GUIDELINES

Revised: September 28, 2015

Please share the following updated out-of-state travel guidelines with your deans and new administrators and fiscal experts, to then share with their faculty and staff:

For all out-of-state travel requests – this includes ALL state and federal grants supporting CTE programs and students:

Due to continual staff changes and workload increases for college Classified and support staff, CTE & Workforce program & project managers/administrators, and at the Chancellor's Office, so that I can better support your district, I would appreciate it if all faculty and staff who are requesting traveling out-of-state take charge of their professional development with the following travel request guidelines. These recommendations can avoid auditor questions or red flags, and will also expedite your travel approvals at the campus level, at your district office, and at the Chancellor's office. Travel request forms are electronic so you can add ALL relevant information on the form or in an attachment before submitting to your dean first.

Travel requisition forms and FAQs:

<http://extranet.cccco.edu/Divisions/WorkforceandEconDev/CareerEducationPractices/OutofStateTravel.aspx>

1. **Plan your travel a semester before conference** or event to ensure lowest hotel, flight, rental car and early registration rates. Since you are receiving government funding, you are required to research and find the lowest possible rates for all travel expenses.
2. **Submit your electronic travel request 1-3 months prior to traveling** to ensure timely approvals, especially if there are questions for clarification from your chair, dean or program/project manager. First approval is your division chair, then s/he sends the request to the CTE/Workforce dean/administrator for approval.
3. **Chancellor's Office is the final approval**, after all the crucial questions and clarifications are taken care of by your deans or CTE administrators. My approval is a formality only; to ensure there are no red flags for auditors. I encourage you to provide your district administrator with a short email from your dean or chair as to why s/he thinks this particular workshop or conference is a good opportunity for you, why it is approved at his/her level, and how you will implement and/or disseminate your learning.
4. It is not for Chancellor's Office (me) to **determine who deserves professional development** and travel opportunities; I trust that administrators are fair in their decisions, and provide all faculty and staff with equal opportunities so that the same colleagues are not going every year, and that there are funds available for other CTE programs.
5. **Possible red flags for auditors:** If more than one person requests to attend the same conference or training, the dean needs to inquire why; is there a possibility that one person can come back and train everyone. If travel is for required certification for faculty expertise, write this on travel req. Another question to expect is why travel out-

of-state when you need to research professional development within your region or state. Many professional associations offer trainings in multiple sites or states. If this is the only option, then justify why several faculty or staff are requesting to attend/participate. **When requesting Perkins funding, there must be a justification as to how this professional development will improve which *specific* core indicators. For example: improve retention rates for Hispanic males in Nursing.**

6. **Research and ensure that rental car and hotel room rate is below CONUS or government allowed per diem rate:** <http://www.gsa.gov/portal/category/21287>
7. **If hotel rate is above government rate,** write a brief summary of why you are staying at a particular hotel. For example: this is the conference hotel, and surrounding hotel rates are comparable or higher. Or, a rental car cost is higher than hotel rates. Or, you are a presenter. Or, you will pay the difference. Etc. Include this rationale on your travel request and submit printout of three comparable hotels in the area of the conference for your dean's audit file.
8. **Registration: Include live link or hyperlink on travel request** that goes directly to conference/event registration cost, for easy verification by Chancellor's Office and auditor
9. **Hotel rates: Include live link or hyperlink on travel request** that goes directly to hotel rates for easy verification. If a professional association or conference has "bundled" hotel rates with meals or other "goodies" like networking sessions with freebies, please request from the association to **itemize all expenses** that may be included in your hotel rate. Caveat: be careful of "networking" events that include hosted bar and gifts. These are not included in Perkins or any government funding!
10. **Program sessions description:** Include live link or hyperlink on travel request that goes directly to program session descriptions, to verify that a high percentage of workshops *each day are directly related* to your CTE expertise to justify professional development [for auditing purposes]
11. **If funding other than Perkins or the State** is used for this travel, complements this travel, or you are paying a travel expense yourself, please indicate this on the travel request
12. **If you cannot provide electronic links** to registration, program session descriptions or other pertinent information because it is password protected, please have conference send you requested information above so you can scan and include with your electronic travel request.
13. **In email Subject line for approval: Out-of-State Travel: Name, College, Funding Source (or DSN sector) & Grant #**
14. **Have a safe trip. Enjoy the conference/event. Keep and itemize all receipts and conference materials** for your department or division records or audit files.
15. **Share your professional development experiences with your colleagues and students** electronically or in live presentations. Since we are now supporting regional strategies with our state and federal funding, include how your knowledge will benefit the region; not just your college or district.

Contracts and Maintenance Agreements

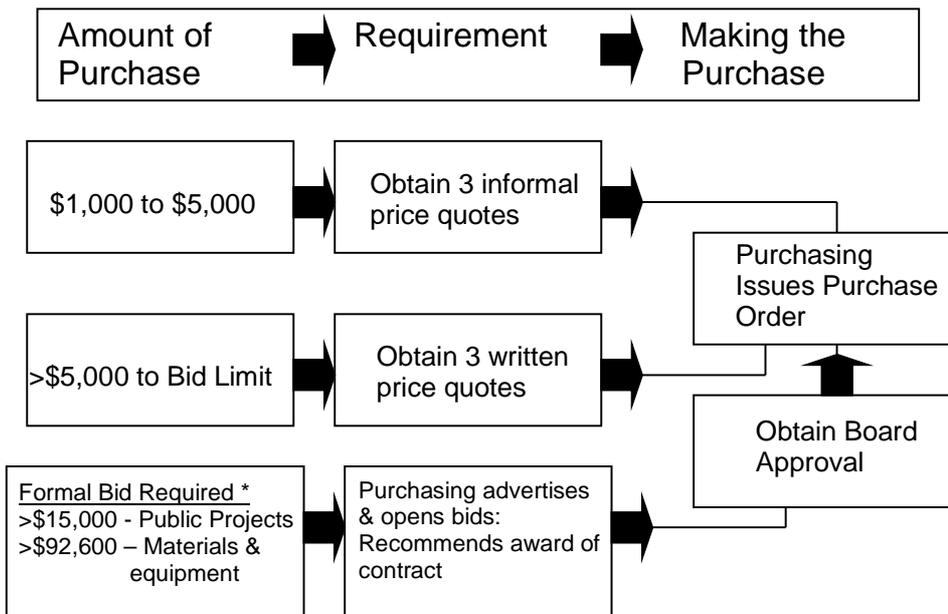
Purchasing Bid Limits

Per Public Contract Code section 20651 materials, equipment, and supplies to be furnished, sold or leased to the District, services that do not include construction, and repairs that are not a public works project are required to be bid when the purchase exceeds the current bid threshold.

The current bid threshold for the calendar year 2019 for goods and services other than public works projects is \$92,600. This amount is adjusted annually for inflation and will change again on January 1st.

The bid threshold for “Public Works” (construction type projects) is \$15,000.

Process Overview



Public Works Projects

"Public works contract" means a contract awarded through competitive bids by the state or any of its political subdivisions or public agencies, on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code, for the erection, construction, alteration, repair, or improvement of any structure, building, road, or other improvement of any kind.

The current bid threshold for public works projects is \$15,000. This amount has not changed for many years, nor is it expected to change in the near future. The Purchasing Department advertises for bids for a two-week period in a newspaper of general circulation within the District. The Purchasing Department will ensure that bid specifications adequately describe the materials or services required by the District. Bid specifications will be written in a manner which encourages competitive bidding from all interested responsible suppliers or contractors. The Purchasing Department will consider acceptance of materials or equipment which are the equivalent of that specified. The Vendor is responsible for providing sufficient data with their bid to make this evaluation possible. Determinations of equivalency will be made by the District as objectively as is possible.

Purchasing Department will provide notice of the bid solicitation to suppliers or contractors known to provide the materials or services required. Bid documents are available to any responsible vendor or contractor who requests an opportunity to submit a bid. Bid documents are posted on the district webpage.

All bids shall be submitted on District Bid forms in accordance with the instructions included therein, and shall be accompanied by all required information, deposits, bonds, and certifications. Failure to submit the bid in accordance with these instructions may invalidate the bid.

Purchasing Department receives and opens sealed bids for the required materials or services. Sealed bids will be received and publicly opened by the Director of Purchasing at the time and place specified in the bid documents. Bids received after the bid opening time specified will not be considered and will be returned to the bidder unopened.

The Purchasing Department recommends that the Board of Trustees award the bid to the low responsible bidder who meets the District's specifications.

The Board of Trustees awards the bid to the supplier who has submitted the lowest bid which is responsive to the District's specifications.

The Board of Trustees reserves the right to reject any or all bids, or to waive any irregularity or informality in any bid or in the bidding procedures.

Due to the necessity for processing this category of purchase through Board Meetings, the requisitioning Department must plan its requirements to allow for a normal four to eight-week processing period.

Procedures to make a purchase for Goods or services up to \$92,600;

Call vendor for prices, model numbers, shipping costs, etc., **BUT DO NOT PLACE AN ORDER!** Prepare a requisition. Attach quotation with vendor contact info. Obtain manager/vice president approval as determined by your department. Requisition is then approved by your Budget Analyst. Purchasing Department receives requisition and issues a

purchase order, fax or mail the PO to vendor which **Places the Order**. (We prefer to fax the purchase orders. Please include the fax numbers on the req.)

Make sure you allow plenty of time from the creation of the requisition to the date the order must be placed or a check mailed or received by the vendor. It takes time for requisitions to travel the approval route. If you have something that needs immediate attention, please call purchasing so they may help you expedite your order after account coding is completed. Accounts Payable will not make pre-payments!

California law (CA Ed. Code Section 81656) and District policy allows the Board of Trustees to delegate the authority to purchase supplies, materials, apparatus, equipment, and services to certain officers and employees. No purchases of any kind may be made on behalf of the District unless one of these officers or employees has signed a **District Purchase Order** to forward to a vendor. District policy states all others who make purchases prior to the issuance of an authorized purchase order, therefore violating the Education Code and District Policy, may be held personally responsible for the cost of the purchase.

Requisitions will not be processed until sufficient funds are available in the proper account(s). Approved purchase requisitions are posted against appropriate budget account codes. If there is inadequate funding in the appropriate budget account code(s), Budget Control will send you a message in the "INTERNAL notes" section of your requisition. If there is inadequate funding in the budget account code, request a budget transfer in the NOTES section of the requisition to the Budget Office.

RHCCD Agreement/Contract Guidelines and Procedures – Update

The Chancellor delegates to the Rio Hondo Board of Trustees Superintendent/President; VP Finance & Business; & Director of Contract Management the authority to sign, and legally bind RHCCD to agreements/contracts (A/C) entered into for the District or a specific campus. All A/C's must have approval by the Board of Trustees and can only be signed by the Superintendent/President and/or VP of Finance and Business.

Guidelines

ALL contracts (even if there is no cost to the District), including Amendments or Addendums, must be reviewed to go forward for signature by the Director of Contracts, Compliance and Legal Services (DCCLS)– regardless of the dollar amount.

There are several issues that the DCCLS looks for in a contract, including, but not limited to:

- California law must govern our requisitions.
- All requisitions must be with the Rio Hondo Community College District and NOT an individual campus/college, department, or person/position in the District (i.e. Agreement between XYZ Company and Rio Hondo Community College District – NOT XYZ Company and the RHCC Business Department). The contract can also be between the Rio Hondo Community College District, on behalf of the Rio Hondo Campus.
- All parties we contract with (whether a business or an individual) must be listed by their legal name.
- Because we are a public institution, it is difficult for us to agree to confidentiality clauses, unless the issue is HIPAA, FERPA or some personnel records. Please refrain from having these clauses in your

requisitions, unless it deals with the areas mentioned above. We can, however, ask the other party to keep our information confidential.

- Beginning and ending dates for the term of the requisition, and amount of and method of payment(s), must be listed.
- All parties the District contracts with should indemnify and hold harmless the District. The requisition should have an indemnification/hold harmless clause.
- If a requisition spans more than one fiscal year, it should include a "non-appropriation of funds clause", which states we can get out of the contract if we don't have the money to continue.
- Every requisition should have a non-discrimination clause.
- We may require the other party to submit a Certificate of Liability Insurance Coverage. \$1M minimum requirement.

There are exceptions and many more clauses and issues (such as risk) that must be considered, depending on the nature of the contract and with whom the District is contracting.

I. Procedures for Contracts Over \$92,600:

1. The Department is to make sure they have the funding and a budget account set up before they proceed with a requisition.
2. The Department will send the requisition, through manual approval channels to the Director of Contracts for review.
3. The Director of contracts will get back to the department indicating the next steps to go forward. Expenditures in excess of \$92,600 typically require a formal RFP on bid.
4. The Department will help develop specifications that don't give one firm an advantage over another.
5. Once the bid document is developed, a calendar will be created for soliciting proposals.
6. Once bids are returned and analyzed, one will be determined to be legally most advantageous to the District and then an agenda will be created for the board to award a contract.
7. Once the Board awards a contract, the requisition amount will be updated and processed through budgeting again. Contracts will develop a contract & issue a purchase order.

II. Procedures for Contracts \$92,600 and below:

A written contract is necessary when the vendor requires one. If the vendor sends a document which the District needs to agree to and sign, then it is a contract/agreement. If the vendor will accept a Purchase Order in lieu of a separate written contract/agreement, then a written contract/agreement is **not** necessary, and you will follow the process outlined on page 33. The Purchase Order is a contract/agreement and binds both parties to the terms and conditions of the purchase order.

If you have an agreement/contract \$92,600, or below, or for no cost to the District, that needs to be processed:

1. The Department is to make sure they have money and a budget account set up before they proceed with a requisition.
2. If the department is hiring a consultant, it must process the Blue Consultant form. (The Board must approve all consultants.)
3. Once the Board approves a consultant, the Contracts Department will initiate the contract with the

consultant.

4. Three copies of the contract are required with original signatures. One copy goes to the consultant, another to the initiating department and the final copy is kept in the Contract files.

III. Annual Equipment Maintenance Agreements

1. Prepare your purchase requisition making sure to include the following required information:
 - a) The purpose of the Contract/purchase order – be as descriptive as possible;
 - b) The time period, whether it is one day or from _____ to _____; (not to exceed June 30th)
 - c) The not to exceed amount; and,
 - d) Payment provisions, which may include reimbursable expenses and a rate listing.
2. You may include any other information/comments you feel necessary in the external and/or internal notes section. Keep in mind that external notes are for the vendor's information. Don't put something in external notes that you don't want the vendor to read – those kinds of notes should be in the internal notes.
3. If you have any documents that purchasing or budget control will need in order to process your PO, you need to note that in the description on your purchase requisition, i.e. contract or quote attached & vendor contact info.
4. In order to be a valid agreement, the PO must be accepted by the vendor. Our Purchasing Department will send the PO to the vendor, either by mail, fax, or email.

NOTE: Budget control will not process your requisition unless all of the required information is included in the notes.

Record Retention and Management

Record Retention

Applicable Uniform Guidance section: [200.335-337](#)

The Uniform Guidance provides an opportunity to shift from paper to electronic methods of storage. It encourages federal agencies and institutions to use electronic formats rather than paper whenever practicable. While we must still provide or accept paper when it is requested, the guidance says that when original records are electronic and non-alterable, there is no need to create and retain paper copies. Similarly, when original records are paper (e.g. receipts), electronic versions (e.g. pdf scans) may be substituted provided they remain readable, are subject to periodic quality control reviews and are reasonably safeguarded against being altered.

Applicable Code of Federal Regulations: [34 CFR Sec. 75.730-75.732, 76.730-76.931](#)

The district shall ensure the proper maintenance of federal fiscal records documenting:

- Amount of federal funds
- How funds are used
- Total cost of each project
- Share of total cost of each project provided from other sources
- Other records to facilitate an effective audit
- Other records to show compliance with federal program requirements
- Significant project experiences and results

All records must be retrievable and available for programmatic or financial audit.

Applicable Code of Federal Regulations: [2 CFR Sec. 200.336](#)

The District shall provide the federal 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 District records which are pertinent to the federal award. The District shall also 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, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs.

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.

Applicable District Board Policy: [BP 3310](#)

It is the policy of the Board that District will create, maintain, and dispose of the educational records of the students of the College properly and at all times guard the integrity and confidentiality of those records.

The Superintendent-President shall assure that student records are maintained in compliance with applicable federal and state laws relating to the privacy of student records.

Applicable Uniform Guidance section: [200.333](#)

Note: that there are inconsistencies between the UG and the Federal Acquisition Regulation (FAR). Federal contracts follow the FAR, plus UG for cost principles only. Under the FAR, paper records related to contracts must be kept for a year after they are converted to an electronic format.

Archived Record Management

Legal Protection

Records management reduces nuisance litigation by reducing the quantity of records that attorneys may subpoena through the legal process of discovery. Following records retention schedules assures courts, litigants, and auditors that records are being disposed of properly and in a routine manner, not maliciously or in a capricious way.

Rio Hondo College stores its records in the limited amount of space on campus. In order to be able to retrieve documents or boxes and to purge non-permanent records, the marking of the contents of the boxes must follow a prescribed format in the area marked "Description" on the end of the Archive Management storage boxes as follows:

An example would be:

Department	Accounts Payable
Description	Paid Invoices AAA-BZZ
Date Range	FY 2017/18
Sequence Range	012375-012425
Destroy Date	7/2024

Do not mix fiscal years in a box. Note the destroy date or write "Permanent" in the space marked "Destruction Date". Records may only be sent to archives in Archives Management boxes. For your protection, the Facilities staff will not take boxes that are improperly marked, as they would be impossible to locate in the future. Send to archives only documents, which are required by law to be retained. If you are not sure what the requirements are, consult the Records Retention Manual, which is located in the Accounting Office.

EDGAR Retention Regulations

Records must be retained for **three** years from the date the last expenditure report is submitted for the grant period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the **Federal** fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report.

If an expenditure report has been waived, the retention period starts on the day the report would have been due.

RHCCD Retention Guidelines

RHCCD has established a longer record retention period than EDGAR. It is the policy of RHCCD to retain all records for a period of **Seven** years. Retention date begins upon the date that the final reports are submitted to the awarding agency. Please refer to California Code of Regulations, Title 5 Sections 59020 – 59029

