

LAKEVIEW COMMUNITY SCHOOLS



POLICIES AND PROCEDURES

FEDERAL AWARDS ADMINISTRATION

Revised: May 2025

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
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Lakeview Community Schools

Policies and Procedures – Federal Awards Administration

Overview

Purpose – This manual has been prepared to document the policies and procedures for the administration of federal awards of Lakeview Community Schools (the “District”). The Michigan Department of Education (MDE) has interpreted 34 CFR Part 80, 2 CFR Part 213 and Part 6 of the 2 CFR 200 Compliance Supplement to require an entity to have written procedures as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

Hierarchy of Authority – In the event that conflicting guidance on the administration of federal awards is available, the District has deemed guidance from the Office of Management and Budget (OMB) to be most authoritative, followed by guidance from MDE, and finally other state or local agencies (such as intermediate school districts).

Revisions – Guidance provided by the federal government through the 2 CFR 200 Compliance Supplement and guidance provided by MDE through the Michigan School Accounting Manual are expected to be updated each year. Such updates are considered by the District as they become available, and policies and procedures will be revised accordingly.

The Superintendent or designee is authorized and required to establish and document operating procedures to ensure compliance with the provisions of federal and state regulations and the provisions of grant agreements. Such procedures are documented herein, and will be reviewed and updated as necessary, but not less than once every three years.

Training – District accounting and finance personnel, and program administrators of federal awards will be provided the necessary training through various mechanisms, such as: (1) Reviewing monthly State Aid Financial Status Report Updates, accompanying state aid payments (2) consulting with the District’s auditors as needed for clarification, (3) participating in various training opportunities, such as those offered by appropriate professional organizations, (4) reviewing the annual Accounting & Auditing Alert issued by the Michigan Department of Education, (5) Membership and participation in the Michigan School Business Officials (MSBO) organization, (6) subscription to authoritative email alerts and list-serves, such as MSBO, MDE, etc.

Compliance Failures – Compliance failures, whether noted internally by management or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future.

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Financial Management Systems
General Accounting and Financial Management

It is the policy of Lakeview Community Schools (the “District”) to comply with all statutory, regulatory, and contractual requirements in the conduct of and accounting for its financial operations. The official books of record for the District will be maintained subject to the following provisions:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No 6800: System of Accounting

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.
2. The District will comply with the provisions of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”).
3. The District will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.
4. The Board of Education will contract annually with an independent CPA firm for the purposes of conducting the District’s external financial audit. To the extent that the District has expended federal awards amount, the District will have a single audit performed in accordance with 2 CFR 200.
5. To ensure continuing compliance with all applicable accounting requirements, the Board of Education may, at its discretion, contract with a CPA firm to provide internal auditing and/or consulting services.
6. The Board Secretary shall maintain a book of Official Policies adopted by the Board of Education, in addition to these Policies and Procedures manual.
7. The LCS and MAISD Business Office Staff shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements as described in the section of this manual titled “Records Retention”.

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Policies and Procedures – Federal Awards Administration
Financial Management Systems
Purchasing and Procurement

It is the policy of Lakeview Community Schools (the “District”) to ensure that all disbursements of District funds are properly reviewed and authorized, and consistent with sound financial management principles. To meet these objectives, all disbursements of District funds shall be subject to the following provisions:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 3440: Job-related Expenses (Professional Staff) and No. 4440: Job-related Expenses (Support Staff)
- No. 6320: Purchasing
- No. 6423: Use of Credit/Debit Cards
- No. 6440: Cooperative Purchasing
- No. 6450: Local Purchasing
- No. 6460: Vendor Relations
- No. 6470: Payment of Claims
- No. 6550: Travel Payment & Reimbursement
- No. 6610: Student Activity Fund
- No. 6670: Trust and Agency Fund

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Purchases made with federal funds will be made using one of the five allowable methods specified by the Uniform Guidance. Where such regulations differ from general District policy, the more restrictive of the requirements shall apply.
 - *Micro-purchases* – Purchases of services and supplies with an aggregate cost of \$10,000.00. Bids or quotations are not required, though the District will attempt to make the purchase in the most economical fashion possible.
 - *Small purchases* – Purchases of services or supplies with an aggregate cost of \$250,000.00 or less. Quotations must be obtained from an adequate number of qualified sources.
 - *Sealed bids* – Vendors are invited to bid based on detailed specifications.

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Purchasing and Procurement (Continued)

- *Competitive proposals* – Vendors are invited to submit a proposal based on detailed specifications. Unlike the sealed bid method, competitive proposals typically involve technical or professional services where the qualifications, experience, reputation, and other factors are considered in awarding the contract.
 - *Non-competitive proposals* – These purchases must be for an emergency, pre-approved by the grantor agency, or because the item is only available from a single source. This type of procurement should occur infrequently and be clearly documented. A Sole Source Vendor Justification Form has been drafted in the appendix of this manual.
2. All approved check requests will be processed by the MAISD Business Office using blank check stock. The check information is printed on the checks by a MICR printer at the time of processing.
 3. When an employee incurs work-related expenses to be reimbursed by the District, the following requirements apply:
 - a. The Superintendent or designee will develop a standard employee expense report reimbursement form. All employee expense reimbursements are required to be made using this standard form.
 - b. The employee expense report will be signed by both the employee and the employee's direct supervisor (or other administrator knowledgeable of the employee's work activities).
 - c. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will not be reimbursed. This should also be signed by the employee's supervisor or other administrator knowledgeable of the employee's work activities.
 - d. An employee will not be reimbursed for any expense that is disallowed by federal cost principles in accordance with federal cost principles.
 - e. Expense reports of school principals and other department heads will be submitted to the Superintendent or designee for review and approval. Expense reports of the Superintendent will be submitted to the MAISD Business Office for review and approval. It will not be acceptable for any employee to approve his/her own expense report.
 - f. Mileage will be reimbursed by the District at the standard IRS rate.

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Administration Financial Management Systems
Purchasing and Procurement (Concluded)

- g. Approved expense reports will be submitted to the Superintendent or designee who will verify that expenses are appropriate and supporting documentation is attached. The Superintendent or designee will sign the expense report as evidence of this review and approval.
- h. The MAISD Business Office will not process any expense reimbursements for payment until all necessary signatures have been obtained.
- i. An employee making a disbursement using personal funds on behalf of the District may be subject to State sales tax, while payments made by the District directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the District.

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Administration Financial Management Systems
Cash Receipts

To safeguard the funds of the District, cash receipts will be deposited promptly and in-tact.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 6660: School Service Fund (Collection and Deposit of Funds)
- No. 6670: Trust and Agency Fund (Accepting Contributions)

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Cash/checks will be initially received by the LCS Business Clerk.
2. General ledger accounts for recording cash receipts will be determined by the MAISD Business Office.
3. Cash receipts will be recorded approximately weekly (more frequently during tax collection season) by the LCS Business Clerk.
4. Deposits will be made to the bank at least weekly by the LCS Business Clerk.
5. Deposits slips will be filed internally along with a detailed composition of the amount and any available remittance advice, etc. The deposit will be signed/dated by the Superintendent as evidence of independent review and approval.
6. Wire transfers and ACH payments will be recorded through cash receipts and general journal entries. Such entries will be signed/initiated and dated by the preparer, and independently reviewed and approved by the Superintendent or designee.

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Policies and Procedures – Federal Awards
Administration Financial Management Systems
Payroll and Timekeeping

The following provisions apply to the payment of employees in accordance with Federal Cost Principles.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 1220: Employment of the Superintendent (Salary and Benefits)
- No. 1400: Job Descriptions
- No. 3120: Employment of Professional Staff and No. 4120: Employment of Support Staff
- No. 3121: Criminal History Record Check (Professional Staff) and No. 4121: Criminal History Record Check (Support Staff)
- No. 3124: Employment Contract (Professional Staff) and No. 4124: Employment Contract (Support Staff)
- No. 6510: Payroll Authorization
- No. 6520: Payroll Deductions

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Hourly employees shall submit an electronic timesheet for each pay period, with the following information:
 - a. The total number of hours worked each day.
 - b. The use of any holiday, personal, vacation, sick, or other approved time off with pay.
 - c. The total number of hours to be paid.
 - d. An allocation of those hours to each program or department, for which work was performed, will be pre-set by the Superintendent or designee as a percentage and paid accordingly.
 - e. The timesheet will be approved by their supervisor or appointed designee.

The allocation of hours between programs or departments should be based exclusively on the actual hours worked, and not be based on available budgets, or predetermined allocation schedules.

In the event that an after-the-fact correction is necessary to an employee's timesheet due to errors in the allocation of time worked, such corrections must be submitted to the LCS Business Clerk and approved in writing by both the employee and his/her supervisor.^f

2. Salaried employees charged to a federal grant will document their workday according to one of the following methods. The method used by the employee shall be pre-approved by the Superintendent or designee. If the employee's time is expensed based on budgetary data, an adjustment shall be made at least quarterly to agree the general ledger to the documentation.

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Payroll and Timekeeping (Concluded)

- a. The employee may document their workday using a timesheet as described above. Timesheets must account for the total activity for which the employee is compensated and be submitted electronically by the employee. It will not be acceptable for timesheets to include the hours worked on federal grants only.
 - b. The employee may complete personnel activity reports. Such reports will be prepared at least monthly to coincide with specific pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, and be signed by the employee.
 - c. Budgets, lesson plans, and calendars/daily planners will not be deemed allowable documentation to support personnel costs and therefore will not be accepted by the Central Office.
 - d. It is the responsibility of the employee being charged to a federal award(s) to clarify documentation requirements with the Superintendent or designee and provide appropriate documentation to the Central Office as it becomes available. The employee should retain a copy of the documentation for his/her personal records.
3. Salaried employees who work 100 percent of their time on a single federal award or cost objective (regardless of the availability of federal funding) shall have the option to complete semi-annual time certifications in lieu of timesheets or personnel activity reports (described above). The certifications will be prepared at-least semi-annually and signed by a supervisory official having first-hand knowledge of the work performed by the employee.

Certifications should never be signed prior to the end date of the period being certified. Each certification should be provided to the Superintendent or designee when available. Employees should retain a copy of the certifications for his/her personal records.

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Administration Financial Management Systems
Bank Reconciliations

The following procedures will apply to the reconciliation of bank accounts:

1. Bank reconciliations will be performed monthly for each bank account.
2. Bank reconciliations will be completed within 6 weeks of month-end.
3. Bank reconciliations for all accounts will be prepared by the ISD LEA Business Manager who will give to the MAISD Associate Superintendent of Finance to sign and date the reconciliation when complete.
4. If not independently reviewed and approved already, interbank transfers, ACH receipts, and EFT payments recorded through general journal entry will be submitted along with the bank reconciliation to an independent individual for review, as listed below.
5. Bank reconciliations will be subjected to review and approval by an independent administrator. The reviewer will sign and date the reconciliation as evidence of the control.

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Journal Entries and Non-routine Transactions

The District will occasionally need to record a general journal entry or other non-routine transaction. Such transactions may relate to federal awards. The following policies and procedures apply to all general journal entries:

- General journal entries will be an allowable transaction type for recording: corrections and adjustments, accruals and reversing entries, inter-fund activity, interbank activity, EFT payments, ACH transfers, etc., to the extent that the entries can be reasonably supported.
- All general journal entries will be filed sequentially and will have adequate supporting documentation.
- Each general journal entry will be signed/initialed and dated by the preparer.
- All entries should be subject to review and approval by an independent administrator or employee, which will also be signed/initialed as evidence of the control.
- The ability to post general journal entries in the accounting system will be limited to specific employees. Refer to the section of this manual titled “Information Technology” for additional information.

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Administration Financial Management Systems
Capital Assets

The following provisions will govern the purchasing, accounting, and inventory of capital assets:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 5513: Care of District Property
- No. 6321: New School Construction, Renovation
- No. 7240: Site Acquisition
- No. 7300: Disposition of Real Property
- No. 7310: Disposition of Surplus Property
- No. 7450: Property Inventory
- No. 7455: Accounting System for Capital Assets

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Procurement of capital assets will be governed by the Board of Education's procurement and purchasing policies.
2. Donated capital assets will be recorded at estimated fair value at the date of donation.
3. Purchases of capital assets will be recorded as capital outlay expenditures in the governmental fund financial statements and capitalized as noncurrent assets in the government-wide statements. Donated capital assets will be recorded as a government-wide adjustment only. All capital assets will be depreciated using the straight-line method over estimated useful lives.
4. Capital asset purchases financed through bonds payable will be made in compliance with the Bulletin for School District Audits of Bonded Construction and of Sinking Funds issued by the State of Michigan Department of Treasury.
5. The District may outsource the maintenance of depreciation schedules to a third-party consultant or its external auditors. In those instances, additions (along with the estimated useful lives) and disposals will be identified by the LCS Business Office.
6. To the extent that capital assets are purchased with federal funds, such items will be flagged as "federally-funded" in the financial accounting records to ensure the appropriate use of proceeds on sale (if applicable) in accordance with federal guidelines.

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Administration Financial Management Systems
Capital Assets (Concluded)

7. A complete physical inventory of capital assets will be completed no less than once every two years. As part of this process:
 - a. Capital assets will be physically inventoried and compared to the records used for financial accounting purposes. Inconsistencies will be investigated and resolved, and the financial accounting records will be adjusted accordingly.
 - b. A detailed listing of capital assets from the financial accounting records will be provided to building principals and other department heads for input on accuracy, completeness, and existence of assets. Inconsistencies will be investigated and resolved, and the financial accounting records will be adjusted accordingly.
 - c. Remaining useful lives of capital assets will be reviewed for reasonableness and adjusted when considered necessary and appropriate.
8. Other policies and procedures related to compliance with the provisions of the 2 CFR 200 Compliance Supplement are included within this manual in the section titled "Equipment and Real Property Management".

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Long-term Debt

The following provisions will govern the issuance of long-term debt (including, but not limited to bonds and notes payable, capital assets, installment purchase agreements, State Aid Anticipation Notes, compensated absences, and severance agreements/early retirement incentives):

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 6145: Borrowing

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The issuance of long-term debt will be recorded as an “other financial source” in the governmental fund financial statements, along with any premium or discount thereon. Costs of issuance will be reported in the governmental fund financial statements as a component of debt service expenditures.
2. In the full-accrual government-wide statements, long-term debt and any related discounts, premiums, or deferred gain/loss on refunding, will be reported as a liability..
3. Short-term debt (such as State Aid Anticipation Notes) with an initial maturity of less than one-year will be recorded as a liability in the governmental fund financial statements, along with accrued interest payable thereon.
4. Compensated absences payable will be recorded in the government-wide statements for earned but unused sick and vacation time, as provided for in bargaining agreements and/or personnel policies. Such accruals will be limited to the maximum payout based on these policies. A certain amount will be designated as current each year, based on management’s estimate.
5. Severance agreements/early retirement incentives will also be recorded as long-term debt in the government-wide statements. Multi-year agreements will be reported at the net present value using a discount rate equal to the rate management expects to earn on the assets used to liquidate such liabilities. A current portion will be recorded each year, based on the payment schedule in the severance agreement.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration Financial Management Systems
Grant Administration

1. Grant Development, Application, and Approval –

- a. Legislative Approval – The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by “an individual authorized by the legislative body”, then Board of Education approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the Superintendent or designee may, at his or her discretion, approve grant applications.
- b. Matching Funds – Grants that require cash local matches must be coordinated through the Superintendent. At a minimum, funds must be identified within the existing budget to provide the match, or a budget amendment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

In all cases involving matching funds, the grant applicant should contact the Superintendent or designee to determine the strategy for securing matching funds.

Refer to the section within this manual titled “Matching, Level of Effort, and Earmarking” for additional information on compliance with the provisions of the 2 CFR 200 Compliance Supplement.

- c. Grant Budgets – Most grants require the submission of an expenditure budget. The Superintendent or designee should review this portion of the grant request prior to submission. Frequently, a technical review will discover inconsistencies in the calculations, cost centers that might have been overlooked, or identify reimbursable expenses of which program staff may not be aware— particularly in the indirect cost area.

Grant applicants should contact the Superintendent or designee to request a technical review of a grant proposal budget.

2. Grant Program Implementation –

- a. Notification and Acceptance of an Award – Official notification of a grant award is typically sent by a funding agency to the Superintendent and/or other official designated in the original grant proposal. However, the authorization to spend grant funds is derived from the Board of Education through the approval of a grant budget.

Adoption of the grant budget as a component of the District-wide operating budget is deemed to be sufficient approval.

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Administration Financial Management Systems
Grant Administration (Continued)

- b. Establishment of Accounts – The department that obtained the grant will provide the MAISD Business Office with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.

To the extent that the grant awarded is included in the Michigan School Accounting Manual, such guidance will be followed without exception.

- c. Purchasing Guidelines – All other District purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork and bidding requirements apply. All normal staff approvals apply.

3. Financial and Budgetary Compliance –

- a. Monitoring Grant Funds – Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures, and budgetary compliance. The MAISD Business Office maintains all this information in MUNIS (the District’s accounting system) as well, and this is the District’s “official” accounting system by the granting agencies. Staff are strongly encouraged to use MUNIS reports provided by the MAISD Business Office for their grant tracking.

If any “off-system” accounting records are maintained, it is the responsibility of the Superintendent or MAISD Business Office to ensure that the program’s internal records agree with the District’s accounting system.

- b. Fiscal Years – Occasionally, the fiscal year for the granting agency will not coincide with the District’s fiscal year. This may require adjustments to the District’s internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Superintendent to bring such discrepancies to the attention of the MAISD Business Office at the time the grant accounts are established.
- c. Grant Budgets – When the MUNIS accounting structure for a grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will anyone be authorized to exceed the total budget authority provided by the grant.

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Policies and Procedures – Federal Awards
Administration Financial Management Systems
Grant Administration (Concluded)

If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the Superintendent to notify the MAISD Business Office that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carryforwards. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the 2 CFR 200 Compliance Supplement.

- d. Capital Assets – The District is responsible for maintaining an inventory of assets purchased with grant monies. The District is accountable for them and must make them physically available for inspection during any audit. The Superintendent or designee must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulations governing the original grant).

The Business Clerk will coordinate this grant requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Superintendent. Refer to the sections of this manual titled “Capital Assets” and “Equipment and Real Property Management” for additional information.

4. Record Keeping –

- a. Audit Workpapers – The District’s external auditors audit all grants at the end of each fiscal year. The MAISD Business Office will prepare the required audit workpapers. The Superintendent may be asked to assist in this process, if necessary.
- b. Record Keeping Requirements – Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Superintendent and MAISD Business Office will maintain copies of all grant draw requests, and approved grant agreements (including budgets).

Refer to this section of this manual titled “Records Retention” for additional information.

- 5. Other Guidelines – Specific information on policies and procedures related to compliance with the provisions of the 2 CFR 200 Compliance Supplement have been addressed later in this manual and should be considered along with the information in this section.

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Policies and Procedures – Federal Awards Administration
Financial Management Systems
Year-end Closing and Reporting

The following provisions will govern the year-end close-out process of the District for purposes of external financial reporting:

In accordance with the Michigan Department of Education requirement, the District's fiscal year end for external reporting purposes will be June 30.

1. Accruals will be recorded as needed to ensure that revenues and expenditures are reported in the appropriate accounting period:
 - a. Accounts Payable Disbursements – Invoices for goods or services received during the previous fiscal year will be recorded as expense/accounts payable as of June 30. Such determinations will be made by the MAISD Business Office and reviewed for accuracy and completeness by the Superintendent.
 - b. Payroll-related Accruals – Costs of hourly personnel paid after June 30 for services performed during the previous year will be recorded as expenditures/salaries payable on June 30. The amount will be based on hours worked during the fiscal year multiplied by the employee's hourly rate. Additional consideration will be made for FICA taxes, retirement benefits, health insurance, and related employee benefits.

Salaried teachers and other employees working during the academic year only may elect to receive their annual salary over the course of the academic year or over the course of the 12 months ended August 31 of each year. In the former, all salary payments will have been made prior to June 30 and no additional accrual is necessary. In the latter, the difference between the total salary and the amount paid through June 30 will be recorded as expense/salaries payable on June 30 since the period of service is complete at that time. Additional consideration will be made for FICA taxes, retirement, health insurance, and related employee benefits.

Health insurance and other benefits for employees working on an academic year only will be accrued for the months of July and August and recorded as expenditures/benefits payable on June 30.

Payroll accruals will be prepared and documented by the MAISD Business Office and reviewed by the Superintendent.

- c. Prepays – Payments made prior to year-end that cover goods or services to be received in a future period will be recorded as prepaid items as of June 30.

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Administration Financial Management Systems
Year-end Closing and Reporting (Continued)

- d. Inventory – Inventory for food service items and school building supplies will be counted after the completion of the academic school year, but no later than June 30. Amounts will be valued at current cost and provided to the MAISD Business Office for review and adjustment in the general ledger.
 - e. Receivables – General – Cash received after year-end for which a good or service was provided during the previous fiscal year will be recorded as revenue/accounts receivable. All such adjustments will be supported by appropriate documentation, such as remittance advice or dated subledgers.
 - f. Receivables – Grant – After all year-end expense accruals have been recorded, an entry will be recorded for the difference between grant expenditures and related grant receipts as of June 30 as revenue/grants receivable. Grant receivables will only be recorded to the extent that sufficient amounts remain in the grant award. Expenditures that will not be reimbursed through grant awards due to lack of available funding will be transferred to a non-grant cost center.
 - g. Receivables – State Aid – State Aid is provided to Michigan School Districts in 11 installments from October through August. Therefore, since the July and August State Aid receipts are intended to finance the previous fiscal year, such amounts will be recorded as revenue/receivable as of June 30.
2. The preparation of the year-end financial statements in accordance with GAAP will be outsourced to the independent external auditors, based on the District's trial balance. The draft financial statements provided by the auditors will be reviewed in detail by the MAISD Business Office, along with any audit-proposed journal entries, to ensure that the audited financial statements agree to the District's books and records.
- Refer to the policy on "audits" within this manual for further information on audit requirements and related District policies.
3. To the extent that the District is required to have a single audit completed in accordance with 2 CFR 200, the District will accumulate the information necessary to prepare a schedule of expenditures of federal awards (SEFA or the "schedule") in accordance with Federal and State requirements. This schedule will be characterized as follows:

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Year-end Closing and Reporting (Continued)

- a. The schedule will include all federal financial assistance, including: grants, contracts, property, loans, loan guarantees, interest subsidies, cooperative agreements, insurance, or direct appropriations. Amounts will be reported whether received directly from the Federal government or through a pass-through agency (given that the District is determined to be a subrecipient and not a vendor).
- b. Non-cash assistance (such as food commodities) will be described as such in the schedule.
- c. The schedule will be prepared on the same basis of accounting as the related financial statements.
- d. Federal grants received through the Michigan Department of Education will agree to, or reconcile with, the Grant Auditor Report, as applicable.
- e. Federal awards will be grouped based on federal awarding agency. Each federal award with current expenditures will be listed along with its CFDA number, pass-through grantor name (if applicable) and award/pass-through grantor number (if applicable). Such information will agree with the award documentation.
- f. If the CFDA number of a federal award cannot be reasonably determined, it shall be reported in the schedule using the two-digit prefix for the related federal agency, followed by "UNKNOWN".
- g. To the extent that amounts are passed through to subrecipients, such amounts will be identified on the face of the schedule by award number.
- h. In addition to current year expenditures, the schedule will list approved award/grant amount, accrued/unearned revenue at the beginning of the year, current year cash received, current year actual expenditures, and accrued/unearned revenue at the end of the year. If expenditures were incurred relative to this award in the prior year(s), this amount should be disclosed as memorandum-only.
- i. Any adjustments to prior year awards, expenditures, and balances (including transfers between grants) will be disclosed in the footnotes to the schedule.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration Financial Management Systems
Year-end Closing and Reporting (Concluded)

- j. Accrued/unearned revenue in the schedule shall agree to the amounts recorded as receivable/deferrals in the related financial statements.
- k. To the extent that a separate line item is included in the financial statements for federal revenue, this amount shall agree to expenditures in the schedule. Any reconciling items will be disclosed in the footnotes to the schedule.
- l. The footnotes to the schedule will disclose the significant accounting policies used in preparing the schedule and the fact that management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the schedule.
- m. The footnotes to the schedule will disclose the method of charging indirect costs to federal awards.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
Michigan Department of Education Requirements
Chart of Accounts

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 6680: System of Accounting

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Each account will be assigned a 26-digit number, as follows:

Fund	Major Class	Suffix	Function	Object	Program	State Code	School	Other
XX	XXX	XXXX	XXX	XXXX	XXX	XXXX	XXXXXX	XXXX

Numbers assigned to each category above will be based on the specific requirements of the School Accounting Manual.

2. As applicable, federal awards revenue and expenditures will be assigned certain program codes.
3. The chart of accounts will facilitate the preparation of the Financial Information Database (FID) and will agree to the audited financial statements.
4. A complete chart of accounts for GASB 34 adjustments will not be maintained formally within the District's accounting system. Such adjustments are made once per year, for external financial reporting only, and therefore will be determined through use of separate spreadsheets and integrated into the audit by the District's independent auditors. The MAISD Business Office will review all such adjustments for accuracy prior to the issuance of the audited financial statements.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration Michigan Department of Education
Requirements Annual Audit

Every Michigan public school must have a financial statement audit completed each year by a certified public accounting firm.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 0173: Independent Auditor
- No. 6830: Audit

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will have a financial statement audit completed annually as of its fiscal year ended June 30.
2. An adequate written agreement (the “engagement letter”) will be signed by the District and its independent auditors. It will contain information on period to be audited, support to be provided, reporting requirements, fees, time requirements, contractual information, and a statement that the engagement is intended to meet governmental oversight agencies’ requirements (Michigan School Auditing Manual, 2 CFR 200, GAAS and GAS). A copy of the engagement letter will be provided each year to the Board of Education.
3. The MAISD Business Office shall be responsible for overseeing the process of preparing for the annual audit. To minimize errors in this process, all audit schedules and workpapers should be reviewed by an individual other than the preparer.
4. To the extent that expenditures of federal awards equal or exceed \$750,000, the District will also have a single audit completed in accordance 2 CFR 200. Refer to the section of this manual titled “Year-end Closing and Reporting” for information on the schedule of expenditures of federal awards.
5. The audit will be submitted electronically to the Michigan Department of Education Office of Audits on or before the statutory deadline. The electronic submission will be performed by the District’s independent auditors.
6. If a single audit is conducted, the data collection form and reporting package will be submitted electronically to the Federal Audit Clearinghouse as a joint effort between the District and its independent auditors.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration Michigan Department of Education
Requirements Annual Audit (Concluded)

7. The District will submit written corrective action to any findings identified in the audit process as either part of the single audit report or as a separate letter to the Michigan Department of Education.
8. If the District issues general obligation bonds to finance capital projects, a bond audit will be performed by the District's independent auditors within 120 days of substantial completion of the project. The bond audit will be submitted to the Michigan Department of Treasury.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration Michigan Department of Education
Requirements Budgets and Budgetary Compliance

Lakeview Community Schools (the “District”) uses budgets and budgetary accounting to fulfill its requirements from the Michigan Department of Education and as an internal management tool for monitoring expenditures and identifying abnormalities.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 6210: Fiscal Planning
- No. 6220: Budget Preparation
- No. 6230: Budget Hearings
- No. 6231: Budget Implementation
- No. 6850: Public Disclosure and Reporting

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The minimum level of legal control will be determined based on the specifications of the Michigan School Accounting Manual.
2. The budget will be formally adopted by the Board of Education prior to the commencement of the fiscal year.
3. The adopted budget will include:
 - a. Revenue and expenditure data for the most recently completed fiscal year and estimated revenue and expenditures for the ensuing fiscal year.
 - b. The amount of surplus or deficit that has accumulated from the prior fiscal year, along with an estimate of the amount of surplus or deficit expected in the current fiscal year.
 - c. An estimate of the amounts needed for deficiency, contingent, or emergency purposes.
 - d. Other data relating to fiscal conditions that the Superintendent deems to be useful.
4. The budget will be amended by the Board of Education, as necessary, throughout the fiscal year. No budget amendments will be allowable after year-end.
5. In no instance will the total estimated expenditures, including an accrued deficit, exceed the total revenues, including available unappropriated surplus.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration Michigan Department of Education
Requirements Budgets and Budgetary Compliance
(Concluded)

6. Expenditures more than budget at the legal level of compliance will be disclosed in the annual audit.
7. The original budget, final amended budget, actual expenditures, and excess of expenditures over budget will be included for the general fund and each major special revenue fund in the annual audit.
8. Each federal grant will have an award budget, which will be incorporated into the District-wide operating budget.
9. Management will review budget vs. actual reports on a periodic basis with the Board of Education and/or the Finance Committee to identify inconsistencies.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
Michigan Department of Education Requirements
Additional Federal Awards Compliance Requirements

A substantial amount of the federal awards received by Lakeview Community Schools are passed-through the Michigan Department of Education. In addition to the requirements of the 2 CFR 200 Compliance Supplement, which are applicable to all federal grants (refer to next section of this manual for specific on each compliance requirement) the Michigan Department of Education has issued its own set of guidance on compliance with federal awards. Management will consider both the 2 CFR 200 Compliance Supplement and the Michigan Department of Education School Auditing Manual in identifying applicable compliance requirements.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 2261: Title I Services
 - a. Assessment
 - b. Scope
 - c. Participation
 - d. Comparability of Services
 - e. Professional Development
 - f. Simultaneous Services
- No. 2700: Combined P.A. 25 Annual Report and No Child Left Behind Report Card
 - a. Assessment Data
 - b. Adequate Yearly Progress (AYP) Data
 - c. School Programs
 - d. Staff
 - e. Parents
 - f. Additional Report Requirements for Title I Purposes
- No. 8500: Food Services

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
General Information

Source of Information – Each year the federal government (Office of Management and Budget) issues a comprehensive document on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards. There are 12 compliance requirements identified, each of which is considered individually in this manual.

The following pages document the policies and procedures of the District related to compliance with such procedures, as applicable. In each year that the District is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the District's independent auditors.

Objectives – The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the District have been based on the generic sense of the compliance requirement. For selected compliance requirements, this manual addresses the specific regulations applicable to individual grants. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the District that all federal awards are subject to the following policies and procedures.

Controls over Compliance – In addition to creating policies and procedures over compliance with provisions of federal awards, the District has implemented internal controls over such compliance, generally in the form of administrative oversight and/or independent review and approval. To document these control activities, all independent reviews are signed/initialed and dated.

Documentation – The District will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the District's independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

Electronic Signatures- The District recognizes electronic signatures as being acceptable for all documents and software programs.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 6110: Grant Funds

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles

Source of Governing Requirements – The requirements for activities allowed or unallowed are contained in program legislation, federal awarding agency regulations, and the terms and conditions of the award.

The requirements for allowable costs/cost principles are contained in 2 CFR 200, subpart E, program legislation, federal awarding agency regulations, and the terms and conditions of the award. The requirements for the development and submission of indirect (facilities and administration (F&A)) cost rate proposals and cost allocation plans (CAPs) are contained in 2 CFR part 200 Appendix X.

To ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with the Uniform Guidance, State law, District policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.
2. Grant expenditures will be approved by Superintendent or designee initially through the purchase order process, and again with the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the MAISD Business Office until necessary approval has been obtained.
3. Payroll costs will be documented in accordance with the Uniform Guidance as described in the section of this manual titled “Payroll and Timekeeping”.
4. The District will be permitted to charge indirect costs to federal grants at either (1) the federally negotiated indirect cost rate (if one exists) or (2) the de minimis rate of 10 percent. The selected rate will be applied to Modified Total Direct Costs (MTDC).

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Cash Management

Source of Governing Requirements – The requirements for cash management are contained in 2 CFR §200.305, program legislation, federal awarding agency regulations, and the terms and conditions of the award.

To ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. All the District's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency.
2. Cash draws will be initiated by the MAISD Business Office who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated.
3. Each cash draw will be reviewed by two MAISD staff who will sign/initial and date the paperwork as evidence of the review.
4. The physical draw of cash will be processed in NexSys (for Michigan Department of Education grants) or through the means prescribed by the grant agreement for other awards by the Business Office.
5. Supporting documentation from NexSys (for grant through the Michigan Department of Education) or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
2 CFR 200 Compliance Supplement
Eligibility

Source of Governing Requirements – The requirements for eligibility are contained in program legislation, federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 8531: Free and Reduced-Price Meals

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

Lakeview Community Schools currently participates in Community Eligibility Provision (CEP)-

1. The Board shall provide needy children with lunch at a reduced rate or no charge to the student.
2. Children, eligible for free or reduced-price meals, shall be determined by the criteria established by the Child Nutrition Program. These criteria are issued annually by the Federal government through the State Department of Education.
3. Parents or guardians will be required to fill out relevant information to determine student eligibility for Federal free or reduced-cost meal reimbursement rates and CEP eligibility determinations.

If not participating in Community Eligibility Provision (CEP), the following items will take place:

1. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.
2. Initial eligibility determinations will be made by the Superintendent or designee. Sufficient documentation to support these determinations will be retained and made available to school administration, auditors, and pass-through or grantor agencies, upon request. It is the responsibility of the Superintendent or designee to maintain complete, accurate, and organized records to support eligibility determinations.
3. Free and reduced lunch applications will be available at District offices, on the District's website, and will be mailed to each mailbox in the District's geographical area prior to the commencement of the school year.
 - a. In accordance with grant guidelines, an eligible student from the immediately preceding school year

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
2 CFR 200 Compliance Supplement
Eligibility

-
- will be deemed eligible for the first 30 school days of the next academic year, or until a revised application is submitted.
- b. Letters will be generated out of Meal Magic (the District’s food service management software) prior to the end of the 30-day grace period to notify families that eligibility will cease at the end of this period if a revised application indicating student eligibility is not submitted.
 - c. Income eligibility guidelines will be updated annually in Meal Magic based on a letter provided to the District by the Michigan Department of Education. Completed applications will be input into Meal Magic by Superintendent or designee and the software will make the eligibility determination automatically. The Business Clerk will oversee this process and double-check data input periodically for accuracy. Paper applications will be retained and filed alphabetically by year. If a revised application is submitted during the school year, it will be stapled in front of the previous application.
- 4. On or before November 15th of each school year, the District will verify the current free and reduced-price eligibility of households selected from a sample of applications that it has approved for free and reduced-price meals. The sample size will be based on the lesser 3 percent of the total number of approved applications on file as of October 1st, or 3,000. Follow-up action will be taken for children whose eligibility status has changed because of the verification activities. This verification process will be the responsibility of the Superintendent or designee.
 - 5. Eligible attendance areas under the Title I program will be determined annually based on free and reduced lunch counts and total enrollment counts from the same period.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Equipment and Real Property Management

Source of Governing Requirements – The requirements for equipment and real property are contained in 2 CFR section 200.313 (equipment), 2 CFR section 200.311 (real property), 48 CFR section 52.245-1 (equipment and real property), program legislation, federal awarding agency regulations, and the terms and conditions of the federal award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 7240: Site Acquisition
- No. 7300: Disposition of Real Property
- No. 7310: Disposition of Surplus Property

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

To ensure compliance with these requirements, Lakeview Community has implemented the following policies and procedures:

1. All equipment will be used in the program for which it was acquired or, when appropriate, other federal programs.
2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Superintendent or designee will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
3. Equipment records will be maintained, a physical inventory of equipment shall be taken, and an appropriate system shall be used to safeguard equipment, as described in the section of this manual titled “Capital Assets”.
4. 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 amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Matching, Level of Effort and Earmarking

Source of Governing Requirements – The requirements for matching are contained in 2 CFR section 200.306, program legislation, federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, federal awarding agency regulations, and the terms and conditions of the award.

Lakeview Community defines “matching”, “level of effort”, and “earmarking” consistent with the definitions of the 2 CFR 200 Compliance Supplement:

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).

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.

Earmarking includes requirements that specify the minimum and/or maximum amount or percentage of the program’s funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

To ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. Compliance with matching, level of effort, and earmarking requirements will be the responsibility of the Superintendent.
2. Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to school administration, auditors, and pass-through or grantor agencies, as requested.
3. Maintenance of effort for grants through the Michigan Department of Education (including those passed through from an ISD) will be calculated at the State level.
4. Services provided in Title I schools will be at least comparable to services provided in non-Title I schools. Comparability will be based on the instructional staff/pupil ratios or the per pupil expenditures for instruction staff between equivalent grade span schools within the District.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Period of Performance

Source of Governing Requirements – The requirements for the period of performance are contained in 2 CFR section 200.71 (definition of “obligations”), 2 CFR section 200.77 (definition of “period of performance”), 2 CFR section 200.309 (period of performance), 2 CFR section 200.343 (closeout), program legislation, federal awarding agency regulations; and the terms and conditions of the award.

To ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the federal awarding agency or pass-through grantor agency).
2. All obligations will be liquidated not later than 90 days after the end of the funding period (or as specified by program legislation).
3. Compliance with the period of performance requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval in the MAISD Business Office as part of the payment processing.
4. No more than 15 percent of the District’s annual Title I allocation will be carried over to the subsequent year. In situations where the remaining unspent award exceeds this percentage, a waiver will be formally requested from the Michigan Department of Education.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Procurement, Suspension and Debarment

Source of Governing Requirements – The requirements that apply to procurement under grants and cooperative agreements are contained in 2 CFR sections 200.317 through 200.326, program legislation, federal awarding agency regulations, and the terms and conditions of the award.

The requirements for nonprocurement suspension and debarment are contained in OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, “Debarment and Suspension;” federal awarding agency regulations in Title 2 of the CFR adopting/implementing the OMB guidance in 2 CFR part 180; program legislation; and the terms and conditions of the award.

In order to ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. Purchasing and procurement related to federal grants will be subject to the general policies and procedures of the District (described in the section of this manual titled “Purchasing and Procurement”).
2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.
3. Procurement will provide for full and open competition.
4. The District is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

“Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

5. The District will include a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the District immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Procurement, Suspension and Debarment
(Concluded)

6. Each calendar and fiscal year, the MAISD Business Office will be responsible for running a year-to-date transaction report from the District's accounting system. Any vendor with accumulated transactions equaling or exceeding \$25,000 that is not subject to a written contract including a suspension/debarment clause or for which a signed statement or suspension or debarment is not on file will be subject to additional procedures. The Superintendent or MAISD Business Office will check the System for Award Management (SAM) database maintained by the General Services Administration (GSA) for the vendor's name. A potential match will be followed-up immediately. Each vendor searched on SAM.gov will be initialed on the vendor transaction report and the report will be signed and dated on the first or last page. The vendor transaction report will be retained as evidence of the control.
7. If a vendor is found to be suspended or debarred, the District will immediately cease to do business with this vendor.
8. Executed contracts and signed quarterly vendor transaction history reports will be retained and filed by the MAISD Business Office.

Lakeview Community Schools
Policies and Procedures – Federal Awards
Administration 2 CFR 200 Compliance Supplement
Program Income

Source of Governing Requirements – The requirements that apply to program income are contained in 2 CFR section 200.80 (definition of “program income”), 2 CFR section 200.307 (program income), program legislation, federal awarding agency regulations, and the terms and conditions of the federal award.

To ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. Program income will include (but will not be 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. It will not include interest on grant funds unless otherwise provided in the federal awarding agency regulations or terms and conditions of the award.
2. Lakeview Community Schools will allow program income to be used in one of three methods:
 - a. Deducted from outlays
 - b. Added to the project budget
 - c. Used to meet matching requirements

Absent specific guidance in the federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

3. Program income, when applicable, will be accounted for as a revenue source in the same program code as the federal grant. See additional information on the uniform chart of accounts in the section of this manual titled “Chart of Accounts”.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
2 CFR 200 Compliance Supplement
Reporting

Source of Governing Requirements – Reporting requirements are contained in the following documents: Financial reporting, 2 CFR section 200.327; Monitoring and reporting program performance, 2 CFR section 200.328; Program legislation; federal awarding agency regulations; and the terms and conditions of the award.

To ensure compliance with these requirements, Lakeview Community Schools has implemented the following policies and procedures:

1. Reports will be submitted in the required frequency and within the required deadlines. For grants through the Michigan Department of Education, a final expenditure report will be filed within 60 days of the expenditure of all funds or within 60 days of the grant ending date, whichever comes first.
2. Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, grantor website, postal service, etc.).
3. Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission to document compliance with timeliness requirements.
4. Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the general accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.
5. Any report with financial-related data will either be prepared or reviewed by the MAISD Business Office.
6. Preparation of reports will be the responsibility of the MAISD Business Office. All reports (whether financial, performance, or special) must be reviewed and approved by a knowledgeable administrator or Board member prior to submission. Both the preparer and reviewer will sign and date the report and retain this documentation.
7. Copies of submitted reports with preparer and reviewer signatures and data will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to school administration, auditors, and pass-through or grantor agencies, as requested.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
2 CFR 200 Compliance Supplement
Subrecipient Monitoring

Source of Governing Requirements – The requirements for subrecipient monitoring for the subaward are contained in 31 USC 7502(f)(2) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), 2 CFR sections 200.330, .331, and .501(h); federal awarding agency regulations; and the terms and conditions of the award.

This requirement has not historically been applicable to any of the federal grants of Lakeview Community Schools. Grant administrators are aware of the existence of such compliance requirements and will monitor grant agreements for any change in applicability. Formal policies and procedures will be developed, as needed, to meet changes in circumstances.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
2 CFR 200 Compliance Supplement
Special Tests and Provisions

Source of Governing Requirements – The laws, regulations, and the provisions of contract or grant agreements pertaining to the program

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 2112: Parent Involvement (includes parent involvement requirements under IDEA Section 650 and 644 and Title I Section 1118)
- No. 2261.01: Parent Participation in Title I Programs
- No. 4120: Employment of Support Staff (Requirement for Title I Paraprofessionals)

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Superintendent or designee will be assigned the responsibility for identifying compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation.
2. In any given fiscal year that the District's Title I award is more than \$500,000, an amount equal to at least 1 percent of the grant award will be set-aside for parent involvement activities. Of this amount, at least 95 percent will be allocated to schools. The District will use a separate general ledger account(s) to track the expenditure of such funds.
3. Annually, the District will offer participation in its Title I program to private schools within the District's eligible attendance area. Correspondence will be made by the Superintendent or designee and copies will be retained. The District will request that the private school respond in writing whether the offer is accepted or rejected. This documentation will also be retained.
4. Teachers will need to be certified. Instructional paraprofessionals will meet the definition of "highly qualified". Documentation to support certifications and highly qualified status will be retained in the employee's personnel file and made available to auditors or grantor agencies upon request. The Superintendent/HR Supervisor or designee will be responsible for ensuring that all teachers and instructional paraprofessionals in Title I classrooms meet this standard and have adequate documentation on file.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
Conflict of Interest

Transactions involved federal awards are subject to all conflict-of-interest policies, as applicable:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 0144.2: Board Member Ethics
- No. 0144.3: Board Member Conflict of Interest
- No. 1130: Conflict of Interest (Administration)
- No. 3110: Conflict of Interest (Professional Staff)
- No. 4110: Conflict of Interest (Support Staff)
- No. 6420: Conflict of Interest (Legal Counsel, Advisors, or Consultants)
- No. 6460: Vendor Relations

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
Records Retention

The District has developed various policies and procedures regarding the retention of financial and other grant-related records. Transactions involved federal awards are subject to all such policies, as applicable:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 8315: Information Management
- No. 8320: Personnel Files
- No. 8330: Student Records

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The following schedule summarizes the minimum retention period for District records:

Record Type	Minimum Retention Period
Approved vendor bills/invoices and checks stubs	7 years
Approved employee timesheets, personnel activity reports, semi-annual certifications, and any other documentation necessary to support personnel charges to federal awards	6 years
Deposit slips and supporting documentation, such as remittance advices, subsidiary records, and cash receipt logs	7 years
Journal entries and support for other non-routine transactions	Permanently
Bank statements, including those for checking and savings accounts, investment accounts, and certificates of deposit	7 years
Documentation for compliance with provisions of grant agreements subject to audit under 2 CFR 200	3 years

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
Information Technology

Lakeview Community Schools identifies the efficiencies and risks that come with the increased reliance on information technology. As such, policies have been adopted to govern the use of information technology:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 7540: Computer Technology and Networks
- No. 7541: Electronic Data Processing Disaster Recovery Procedure
- No. 7542: Network Access from Personally Owned Computers and/or Other Web-enabled Devices
- No. 7543: Remote Access to the District's Network
- No. 7545: Electronic Communications
- No. 8351: Security Breach of Confidential Databases

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. The responsibility of assigning user access rights to financial-related applications will be assigned to the MAISD Business Office. User rights will be reviewed annually to accurately reflect current employees of Lakeview Community Schools.
2. Back-ups of the financial accounting system and the District's network will be taken daily and stored at an off-site location by MUNIS.
3. Not less than 2 times per year, the District's IT manager will test the integrity and usability of this data.

Lakeview Community Schools

Policies and Procedures – Federal Awards Administration Supplies

Lakeview Community Schools utilizes various supplies in its operation as a K-12 School District. The following policies and procedures will govern the purchase, use, and recording of such items:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No. 2520: Instructional Supplies
- No. 2521: Selection and Instructional Materials and Equipment
- No. 5513: Care of District Property (Students)

Additional Policies and Procedures. The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

1. Purchase – The purchase of supplies will be subject to the same purchasing and procurement requirements as general District expenditures. Refer to the “Purchasing and Procurement” section of this manual.
2. Accounting – Supplies will be recorded as expenditures when purchased. Once per year, in conjunction with the annual audit, department heads will inventory unused supplies. Refer to the section of this manual titled “Year-end Closing and Reporting” for additional information.

Certain supplies on-hand at year-end (such as office supplies) will be deemed immaterial and not inventoried or recorded in the year-end financial statements.

3. USDA-Donated Commodities – The District will maintain accurate and complete records with respect to the receipt, distribution, and inventory of USDA-donated foods, including end products processed from donated foods. These records will be reconciled to the year-end inventory and corrective action will be taken immediately for discrepancies.
4. Controls – It will be the responsibility of the building principals and department heads to determine the appropriate access to supplies, based on cost v. benefit considerations.

Lakeview Community Schools
Policies and Procedures – Federal Awards Administration
Copyrights

All employees, administrators, and students of the District are subject to the provisions of the Copyright Act of 1976. As such, the Lakeview Community Schools Board of Education adopted Policy No. 2531: Copyrighted Works, which addresses compliance with Title 17 of the United States Code.

This policy, which is incorporated into this manual by reference, is deemed applicable to all transactions, including those with federal funds.



Sole Source Vendor Justification Form

It is the policy of Lakeview Community Schools to provide for full and open competition in the procurement of goods and services. In certain situations, a purchase may only be available from a single source. In such instances, this Sole Source Vendor Justification Form is prepared to document the facts and circumstances and support the exception to the District's standard purchasing and procurement policies.

Date: _____

Vendor/Contractor: _____

Description of Purchase: _____

Reason for Sole Source
Purchase:

☐ The product/service meeting the District's specifications is only available from one source.

☐ The purchase is for additional quantities of an item already used by the District.

☐ The product or service is specifically required under provisions of a contract or grant agreement (describe in detail):

☐ Other (describe in detail):

Name of Individual

Completing Form: _____ Date: _____

Name of Individual

Approving Sole Source
and Authorizing Purchase:

_____ Date: _____