



Farmingdale School District

Board of Education Board Meeting
May 1, 2019

EXECUTIVE SESSION, 6:00 P.M. – A. TERRY WEATHERS BOARD ROOM

It is anticipated that upon a majority vote of the total membership of the Board, a motion to meet in Executive Session to discuss specific litigation, collective bargaining, and personnel issues in accordance with Open Meetings Law will be considered. Following the Executive Session the Board will reconvene in the Howitt East Cafeteria at approximately 8 p.m.

Board of Education Recognition Ceremony, 7:00 P.M.

PUBLIC MEETING, 8:00 P.M.

Howitt East Cafeteria

The Board of Education is interested in encouraging all members of the public to share their ideas, comments and questions. Public participation opportunities will be available at the beginning and end of this meeting and, as stated in board policy, no person shall speak for more than three minutes and each period of public participation shall be limited to 30 minutes. If you have any questions or concerns regarding matters on the Agenda, it may be important for you to utilize the first public participation opportunity as the Board will act on those items immediately. Charges, complaints or challenges should follow procedures listed under Policies 1400, 1410 and/or 1440, which are included on the materials table. Thank you for your anticipated courtesy and cooperation. The agenda follows:

IN THE EVENT OF FIRE AND/OR IF YOU HEAR THE FIRE BELL, YOU MUST LEAVE THE BUILDING. PLEASE USE THE NEAREST EXIT, WHICH IS TO YOUR RIGHT IN THE BACK OF THIS ROOM.

Call to Order

Pledge of Allegiance

Superintendent's Update

- Presentation- Partner in Literacy: Library Collaboration
- Bond 2016
- 2019-20 Budget

Old Business

Public Participation

Board of Education Minutes

Motion made by _____, seconded by _____ to approve the minutes of

1. Minutes of Mar 27, 2019 Board Meeting / Public Input
2. Minutes of Apr 3, 2019 Board Meeting/Adopt Budget for Voter Approval
3. Minutes of Apr 16, 2019 Board Meeting-BOCES Budget Adoption / BOCES Vote

Board Correspondence

Board Committee Reports

Consideration of Consent Agenda:

Motion made by _____, seconded by _____ that the Consent Agenda consisting of Items I (a-j), II (a-d), and III (a-d) be approved as a whole with action recorded separately.

I. Business Report

a. Acceptance for File of Financial Reports

1. Acceptance of Claims Auditor Report - March 2019
2. Acceptance of Extra Curricular Report - March 2019
3. Acceptance of Treasurer's Report - March 2019
4. Acceptance of Revenue and Expenditure Report - March 2019

b. Approval of Contracts and Agreements

1. Approval of a Special Education and General Education Contract
 2. Approval of Health & Welfare Services Agreements for Resident Students Attending Non Public Schools Outside of the District for the 2018/19 School Year (Half Hollow Hills, Jericho, Mineola, Plainedge, South Huntington)
 3. Approval of a Hofstra University Agreement for the Universal Pre-K Program for the 2019-2020 School Year
 4. Approval of Contract #34 with Nassau BOCES
 5. Approval of a Memorandum of Understanding with Hofstra University Regarding Hofstra Student Observers and Student Teachers for the 2019-2020 School Year
- c. Acceptance of a Donation to the Sports Rehabilitation Scholarship Fund
 - d. Approval of Fiduciary Responsibility & Acceptance of Donation of Funds to the Joseph Williams Memorial Scholarship Fund
 - e. Approval of the Extension of Award of Bid - Rubbish Removal
 - f. Approval of the Extension of Award of Bid - Bagels
 - g. Approval of Change Order #2 with Laser Industries, Inc. for Football, Softball, and Baseball Scoreboards at Howitt Middle School
 - h. Approval of Change Order #3 with Laser Industries, Inc. for Press Box Canopy at Howitt Middle School
 - i. Approval of Change Order #4 with Laser Industries, Inc. for Parking Lot Refurbishment at Howitt Middle School
 - j. Approval of Transfer of Funds

II. Items for Action

- a. Approval of Stipulation of Settlement with Employee Named in Executive Session
- b. Approval of a Memorandum of Agreement with the CSEA Clerical/Custodial Unit
- c. Approval of Policy # 6670, Petty Cash Accounts

III. Superintendent's Report

- a. Personnel Items -- Instructional
- b. Personnel Items -- Non-Instructional
- c. Approval of the Committee on Preschool Special Education Placements Report and Acceptance for File of Said Report
- d. Approval of the Committee on Special Education Placements Report and Acceptance for File of Said Report

IV. Items for Discussion and Action

Motion made by _____, seconded by _____ to accept and approve

- 1. Acceptance of the Agreed Upon Procedures Audit Report & Corrective Action Plan for the 2018/19 School Year
- 2. Approval of Policy #6150, Budget Transfers

V. Items For Discussion

- 1. Draft Policy #6700-R.1, Purchasing Regulations - Uniform Guidance Compliance for Federal Awards

Public Participation

Adjournment



Mary E. Rogers, District Clerk

Board of Education
50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 05/01/19 08:00 PM
Department: Assistant to the Superintendent for Business
Category: Action Item
Prepared By: Ro Fullam
Initiator: Michael Motisi
Sponsors:

DOC ID: 5473

SCHEDULED

CONSENT ITEM (ID # 5473)

Acceptance of the Agreed Upon Procedures Audit Report & Corrective Action Plan for the 2018/19 School Year

RESOLVED, that the Farmingdale Union Free School District Board of Education accept the Agreed Upon Procedures Audit Report related to purchasing, nVision access, and budget administration completed in the 2018/19 school year and to approve the Corrective Action Plan related to the Agreed Upon Procedures Audit Report.

**Farmingdale Union Free School District
Independent Accountant's Report On
Applying Agreed-Upon Procedures
February 11, 2019**

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

VINCENT D. CULLEN, CPA
(1950 - 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Education and Audit Committee
Farmingdale Union Free School District
Farmingdale, New York

We have performed the procedures described in the following pages, which were agreed to by the Farmingdale Union Free School District (District), on purchasing, nVision access and budget administration for the period December 1, 2017 through November 30, 2018.

The District's management is responsible for administering these areas of operation.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the following pages.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the District's purchasing administration, nVision access or budget administration. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than the specified parties.

Cullen & Danowski, LLP
February 11, 2019

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures
For the Period Ended November 30, 2018

Introduction:

This report is organized as follows: categorized by function (i.e., Purchasing, nVision Access and Budget Administration, and there are five sections under each function consisting of:

- Background information
- Summary of the engagement
- Procedures performed during our detailed testwork
- Findings as a result of our review
- Recommendations to further strengthen internal controls or improve operational efficiency.

Some of the recommendations may require a reassignment of personnel duties within the District and/or a monetary investment. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Corrective Action Plan:

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan, approved by the Board of Education, must be filed within 90 days of issuance with the New York State Education Department (NYSED).

The District should submit the Corrective Action Plan (CAP) along with the respective Internal Audit Report via the NYSED portal system.

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2018

PURCHASING

Background:

Purchasing is a highly specialized activity in school administration. It is a process that seeks to obtain maximum value from each educational dollar spent for equipment, supplies and contracted services. Prudent purchasing practices help upgrade the quality of programs as well as control cost. The District has a purchasing agent whose responsibilities include reviewing and approving purchase requests to ensure that all legal requirements are met and that goods and services are purchased only after a full review of the requisition and at an appropriate cost. The Purchasing Agent has been with the District for several years and is assisted by the Purchasing Clerk whose responsibilities include reviewing purchase requisitions, posting bids in the newspaper, receiving, reviewing, tabulating and entering bid information into the nVision system and mailing out purchase orders (PO) to vendors. There are two full-time Accounts Payable Clerks who perform reviews of the vendor invoices and enter all invoices into the nVision system for payment. Additionally, the District has a Claims Auditor who reviews all disbursements.

Section 104-b of the General Municipal Law (GML) requires local governments to adopt written policies and procedures governing the procurement of goods and services when competitive bidding is not required. This statute also requires local government personnel to document certain purchase-related decisions. In addition to provisions to ensure compliance with the GML Section 104-b, the adopted policies and procedures should identify authorization limits, the use of requisitions and PO and the process to follow when purchasing goods and services.

The District uses nVision as its financial accounting system. The purchase requisition manager module and the PO manager module are fully integrated into the financial accounting system and budget management system. The nVision system provides certain levels of user controls and certain processing controls, which substantially reduce the likelihood of error in the processing of purchase requisitions and/or POs. Among these controls are that the system is set up to forward purchase requisitions along a pre-established hierarchy of employees for review and approval depending on the type of expenditure and the department requesting the purchase. Only after the appropriate employees have approved a purchase requisition, will the request be able to be processed and approved as a PO by the Purchasing Agent.

There are authorized District employees (requisitioners) who are responsible for acquiring the needed goods or services for the staff working in their respective building or department. The requisitioners are given the appropriate access to the nVision system to enter purchase requests into the system that require proper approval by an administrator prior to submission to the Purchasing Agent for review and approval. In addition, the requisitioners are given access to their specific budget codes only based on the responsibility of their respective administrator.

The District has several Board of Education policies related to purchasing activities as follows:

- #6700 Purchasing
- #6720 Competitive Bidding Requirements
- #6730 Cooperative Purchasing
- #6740 Purchasing Procedures
- #6741 Contracting for Professional Services

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

**FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2018**

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

Summary:

We found no significant areas of concern regarding processing controls. The purchasing agent is well aware of the legal requirements of purchasing activity and has communicated these requirements to the staff involved in purchasing activities. District staff quickly responded to our inquiries and supporting documentation was available to support the purchase activity. We did identify some areas for potential improvement as noted below.

Procedures:

Purchasing

We performed a review of the operations of the purchasing and disbursements activities as follows:

- Reviewed Board policies and District procedures related to the purchasing and disbursement functions.
- Interviewed Business Office personnel regarding policies, procedures and systems in effect related to purchasing and disbursements.
- Interviewed the employees responsible for purchase requisitioners in the Facilities Department, IT Department, Special Ed Department and the Athletics Department to determine if the procedures followed by the staff are standardized and consistent within the District.
- Reviewed the current requisitioning and purchasing processes and identify the strengths, weaknesses and key control attributes for testing.
- Reviewed the financial system user accounts and respective permissions related to the purchasing area to ensure that users have the appropriate level of access based on their job responsibilities.
- Reviewed the purchasing related activity for vendor accounts during the time period as follows:
 - Accounts with disbursements greater than \$100,000 – select a sample of 15 accounts.
 - Accounts with disbursements between \$20,000 and \$100,000 – select a sample of 15 accounts.
 - Accounts with disbursements between \$10,000 and \$20,000 – select a sample of 15 accounts.
 - Accounts with disbursements between \$300 and \$10,000 – select a sample of 10 accounts.
- For each of the 55 accounts selected we reviewed the nature and frequency of transactions with the vendor and examined the purchasing and disbursement records for up to 2 judgmentally selected invoices to determine whether the applicable policies and procedures have been followed.

Findings:

- The District has policies and regulations related to the purchasing function which seem to be well understood. In all of our interviews, staff were aware of the proper procedures and policies related to purchasing and disbursements.
- The Purchasing Policies and regulations do not appear to address the requirements of the federal Uniform Guidance for Grant administration.
- In instances in which there is a partial payment (not final payment) for a PO the documentation included in the check voucher package does not include a copy of the PO itself. As such, the claims auditor cannot readily compare the goods and services being paid for to the PO.

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2018

- Our interviews with the staff of the 4 departments noted in the engagement letter confirmed that the procedures related to purchasing and invoice review were well understood. No particular problems had been identified by District staff and there was agreement that the Business Office staff were diligently reviewing the paperwork submitted and questioning apparent discrepancies.
- Our review of the purchase requisition found that the rights granted within nVision seem appropriate. The proper staff have access to enter requisitions and the nVision system is programmed to electronically forward requisitions to the proper person for approval. Ultimately, the Purchasing Agent issues a PO.

Our review of specific disbursements found:

- There was one check that the claims auditor did not sign to indicate review.
- There was one confirming PO. Materials ordered in July and installed prior to the opening of school and the PO was dated December. There was an explanation on the Confirming PO rationale form. A budget transfer was necessary to process the PO, but the materials had to be ordered so that the work was completed before the opening of school.
- One check was produced prior to the service being received. This was for an educational presentation and the check needed to be available on the day of the event.
- Two expenditures had been accrued as an expenditure in the year ended June 2017 while the event took place in November 2017. Therefore, the expenditure was recorded in the wrong fiscal year. This apparently was an error in the Business Office, as it is the Business Office who reviews year-end activity to accrue the proper costs.
- There was one confirming PO for special education related to services provided to Farmingdale residents by another school district. The services had been provided from September 2016 through June 2017 and the purchase requisition was not processed until March 2018. The Special Education Department was aware of potential billings since October 2016, but there was insufficient documentation to approve the payment. However, since it was known in June 2017 that there would be some cost to the District an accrual was made for the estimated costs.
- There was a similar situation with a second school district that provides special education services to Farmingdale residences that attend private school in the other district. As in the prior case, the costs should have been accrued in the year the service was provided. The Special Education Department does not prepare blanket or estimated POs for these types of expenditures because they are difficult to estimate. However, the expenditure was recorded as a liability as of June 30, 2018.
- In one instance, the amount of the invoice was greater than the PO. The invoice was greater than the PO by \$300. The procedure in this case would be for the Purchasing Agent to manually authorize the additional spending by manually updating the PO. There was no indication that this was done, and the variance was not noted by the Claims Auditor.
- There had been two cases in which the voucher package was reviewed by the associate Claims Auditor. This person is the clerical person in the District Wide Operations office who prepares requisitions and reviews invoices, and as such should not be reviewing the voucher packages as claims auditor. However, as a compensatory procedure the voucher package was also reviewed by the Assistant to the Superintendent for Business.

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2018

Recommendations:

We recommend that the District consider the following recommendations to address the findings noted above. Any change in procedure is the responsibility of the District.

1. The District should review the purchasing policy and regulations to determine if it is in compliance with the requirements of the Uniform Guidance for Grant Administration as issued by the Federal Government.
2. Consideration should be given to the documentation in a voucher package when the PO is not complete. Currently, a copy of the PO is only included when the PO is complete. It might be effective to provide on line access through nVision to the claims auditor who could then check the PO on line when she performs her review.

NVISION ACCESS

Background:

During the past year there had been important changes to roles and responsibilities of the more senior staff in the Business Office. As a result, the District reviewed access levels granted to all Business Office staff.

Access levels granted within the nVision system provide strong internal controls over processing. By granting access and authority judiciously, the ability to process transactions or have access to information is limited to those with a need to have that ability.

In 2016 Cullen & Danowski reviewed the access levels granted in nVision soon after the migration from Finance Manager to nVision, and we found that the access levels granted were appropriate. Our recommendation was for the District to have an annual review of all access levels to help ensure that access granted to staff was still appropriate at the time of the review. According to both the Assistant to the Superintendent for Business and the School Business Administrator (SBA) a full review of access levels was performed at the start of this school year.

Summary:

The District Assistant to the Superintendent for Business and the SBA have a thorough understanding of the mechanics of the nVision system and seemed to have developed appropriate Roles and Responsibilities to provide appropriate segregation of duties within the product. They are performing annual reviews of access granted to staff.

Procedures:

nVision Access

We performed the following procedures as per the engagement letter:

- We reviewed the nVision access at the time of our field work of all Business Office staff and the Superintendent to determine if the access levels are appropriate based on the individual roles and responsibilities and proper segregation of duties.
- For those that have changed roles over the past year we reviewed the change in access level to determine if the change was made timely.

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2018

Findings:

- We reviewed the assignment of roles to individuals and discussed the permissions for each role with the SBA. The roles provide for appropriate segregation of duties and the SBA has a clear understanding of the roles and responsibilities assigned to each person.
- We selected the roles for 5 business office employees and reviewed the detailed report of access level granted for each of the roles. All capabilities seemed appropriate.

BUDGET ADMINISTRATION**Background:**

Budget administration is an important function of the Business Office. The nVision system provides strong tools that can assist the District in maintaining the budget and to help ensure all expenditures are properly budgeted and funded.

The District has a Budget Transfer Policy (#6150 Budget Transfers) which specifies that all budget transfers (in the aggregate for the year) in excess of \$5,000 require approval of the Board of Education. Budget transfers for less than \$5,000 can be authorized by the Superintendent or a designee.

The Business Office differentials between certain types of budget changes, and there are certain changes to the budget that are processed through a "budgetary journal entry" as opposed to a budget transfer. Budget transfers over \$5,000 are presented to the Board of Education for approval.

The "budget journal entries" that are processed without Board of Education approval are for the following:

- Initial establishment of a budget
- Re-allocation of salary related budgets
- Budget changes related to school lunch, grants and capital projects

Summary:

From all indications, budget administration is functioning as designed. The nVision system processes budget adjustments and budget transfers very efficiently, and the standard appropriation status report clearly identifies budget changes.

Procedures:**Budget Administration**

We performed the following procedures as per the engagement letter:

- We interviewed the key Business Office staff responsible for the budget to discuss general procedures regarding the development and management of the budget.
- We traced the budget from published documents to the financial reporting system to ensure accuracy.
- We selected 25 budget transfers made during the period under review to determine if District policy and procedures had been followed.

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2018

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

Findings:

- The current budget transfer policy will need to be modified to allow the District to efficiently comply with NYSED reporting requirements. Costs will need to be accounted for on a school by school basis which will mean there will be many budget adjustments between locations within the same function and object codes.
- During our interviews, all staff seemed aware of the policy and procedures and there are adequate procedures in place so that the Board of Education approves budget transfers over \$5,000 on an aggregate account basis.
- The explanations provided for budget transfers had been descriptive enough to allow the approver to understand the transaction.
- All budget transfers that had been required to be approved by the Board of Education were approved by the Board of Education.
- During the 12 month period December 2017 through November 2018 there were a total of 130 budget transfers recorded of which 33 had been in excess of \$5,000.
- All budget journal entries (as opposed to journal entries) had been for adjustment for which the policy allowed them to be processed without Board of Education approval. The majority had been for salary budget changes.
- The Business Office processes several types of "budget transfers" through a budgetary journal entry process in nVision. These budget adjustments are for the initial recording of budgets in all funds, salary and hourly cost budget changes, and budget changes in the grants, school lunch and capital funds. These budget transfers do not go to the Board of Education for approval.

Recommendations:

3. Budget Transfer Policy - Due to the NYSED revised reporting requirements we recommend that the District modify the Budget Transfer policy. Consideration should be given to clarifying the language regarding which Budget Transfers require prior Board of Education approval.



Farmingdale School District

MICHAEL MOTISI
Assistant to the Superintendent for Business
 (516) 434-5120

PAUL DEFENDINI
Superintendent of Schools

May 2, 2019

Office of the State Comptroller
 110 State Street
 Albany, NY 12236

Attention: The Honorable Thomas P. DiNapoli
 New York State Comptroller

Dear Mr. DiNapoli:

Below please find the district's response to findings and recommendations of the 2018/19 Agreed Upon Procedures Audit which was performed by the district's internal auditors, Cullen & Danowski.

Recommendation #1

It was recommended that the district review its purchasing policy and determine if it is in compliance with the requirements of the Uniform Guidance for Grant Administration as issued by the Federal Government.

Response

The district is in full agreement with this recommendation, and will revise its purchasing policy and regulations. This recommendation will be fully implemented by the district's Assistant to the Superintendent for Business and the district's School Business Administrator.

Recommendation #2

It was recommended that the district provide its claims auditor with access to the district's financial program so that she has the ability to electronically check POs while reviewing payment vouchers.

Response

The district is in full agreement with this recommendation, and will provide the recommended access to the claims auditor. This recommendation will be fully implemented by the district's School Business Administrator prior to the next on-site risk assessment work during the 2019/20 school year.

Recommendation #3

It was recommended that the district modify its budget transfer policy in order to efficiently comply with the NYSED revised reporting requirements.

Response

The district is in full agreement with this recommendation, and will revise its budget transfer policy. This recommendation will be fully implemented by the district's Assistant to the Superintendent for Business and the district's School Business Administrator.

If you have any questions, please do not hesitate to contact my office.

Very truly yours,



Michael Motisi
Assistant to the Superintendent for Business

MM/rf

- cc: J. Conway - Director, NYSED Audit Services
- D. Hoffmann - Partner, Cullen & Danowski
- P. Defendini - Superintendent, Farmingdale UFSD
- B. Ernst - School Business Administrator, Farmingdale UFSD

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2018-19 - May 1, 2019 (5473 : Acceptance of Agreed

Board of Education

50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 05/01/19 08:00 PM
Department: Assistant Supt for Human Resources and Admin

Category: Discussion and Action

Prepared By: Marie Lovisa

Initiator: Glen A Zakian

Sponsors:

DOC ID: 5458

SCHEDULED

DISCUSSION AND ACTION (ID # 5458)

Approval of Policy #6150, Budget Transfers

RESOLVED, that the Farmingdale Union Free School District Board of Education adopt Policy # 6150, Budget Transfers, in accordance with Board Policy 2410.

DRAFT #6150

BUDGET TRANSFERS

The transfer of funds between and within functional unit appropriations of the General Fund is commonly required during the school year. The Superintendent of Schools or his/her designee, in accordance with the Regulations of the Commissioner of Education is authorized to make budget transfers between line item accounts provided that the aggregate amount of each transaction for an object of expense does not exceed \$30,000. Such transfers may also be made to balance payroll accounts to accommodate Board of Education appointments and contractual obligations and transfer funds necessary to balance accounts as of June 30 of each year, provided such transfers are only made between contingent expenditures, or from non-contingent expenditures to contingent expenditures and are in compliance with the aforementioned regulations.

A report will be provided to the Board of Education of ~~any of these transfers which do not meet~~ **all transfers not meeting** the above-mentioned circumstances **needed to close the books and records for the fiscal year ending June 30th each year.**

Ref:

[Education Law §1718](#)

[§ NYCRR §170.2\(l\)](#)

Adoption date: December 10, 2008; Revised: January 19, 2011; *Revised: May 1, 2019*

Board of Education
50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 05/01/19 08:00 PM
Department: Assistant Supt for Human Resources and Admin
Category: Discussion
Prepared By: Marie Lovisa
Initiator: Glen A Zakian
Sponsors:

SCHEDULED

DISCUSSION ITEM (ID # 5446)

DOC ID: 5446

**Draft Policy #6700-R.1, Purchasing Regulations - Uniform
Guidance Compliance for Federal Awards**

Purchasing Regulations - Uniform Guidance Compliance for Federal Awards

2 CFR Part 200 (subparts A-F) "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" requires organizations receiving federal awards to establish and maintain effective internal controls over federal awards.

General Policy Statement

The requirements for procurements using federal awards are contained in the Uniform Guidance (2 CFR Part 200, subparts A-F), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

To comply with 2 CFR Part 200 (subparts A-F), the District implements policies and procedures, including, but not limited to:

- A. The District will use its own documented procurement procedures which reflect applicable State and Local laws and regulations; provided that the procurements conform to applicable federal law and Uniform Guidance. As such, District procurements related to Federal grants will be subject to New York State General Municipal Law, District Procurement Policy and Uniformed Guidance Requirements.
- B. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis of contract price.
- C. The District will utilize one of the five acceptable procurement methodologies detailed in §200.320 which include:
 - Micro Purchase
 - Small Purchase Procedure
 - Sealed Bid
 - Competitive Proposal
 - Non-Competitive Proposal (Sole Source)
- D. Procurements will provide for full and open competition as set forth in the Uniform Guidance, or State and local procurement thresholds, whichever is most restrictive.
- E. No employee, officer or agent may participate in the selection, award or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm

Attachment: Draft 6700-R.1 BOE 5-1-19 (5446 : Draft Policy #6700-R.1, Purchasing Regulations - Uniform Guidance Compliance for Federal

considered for a contract. The officers, employees, and agents can neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, no further action will be taken. However, disciplinary actions will be pursued for violations of this section .

- F. The District will avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical procurement approach. The District will also analyze other means, as described in §200.318 of the Uniform Guidance, to ensure appropriate and economical acquisitions.
- G. The District will enter into state and local intergovernmental agreements or inter-entirety agreements, where appropriate.
- H. The District will only utilize Time and Materials contracts when it has been determined, in writing, that no other contract type is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.
- I. Vendors/Contractors that develop or draft specifications, requirements, statements of work, or invitation to bids or requests for proposals must be excluded from competing for such procurements.
- J. The District will make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.
- K. The District is prohibited from contracting with or making sub awards under covered transactions to parties that are suspended, debarred, or otherwise excluded from or ineligible for participation in federal assistance programs or activities, or whose principals are suspended or debarred.

“Covered Transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$25,000. All non-procurement transactions (i.e. sub-awards to recipients), irrespective of award amount, are considered covered transactions, except for those transactions identified in 2 CFR § 180.215.

- L. 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

Attachment: Draft 6700-R.1 BOE 5-1-19 (5446 : Draft Policy #6700-R.1, Purchasing Regulations - Uniform Guidance Compliance for Federal

immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.

- M. District Departments will be required to notify the Assistant Superintendent for Business or his/her designee that federal funding will be used for a certain procurement/contract. When requesting a written contract, the Assistant Superintendent for Business or his/her designee will be responsible for running the Vendor/Contractor's name through the System for Award Management (SAM) to determine any exclusions. A copy of the SAM search will be included with the contract request. Prior to issuing a purchase order using federal funds, the Purchasing Division will check the SAM to determine if any exclusions exist for the Vendor/Contractor.

If a vendor/contractor is found to be suspended or debarred, the District will immediately cease to do business with the vendor.

- N. The District will not use statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals; except in those cases where applicable federal statues expressly mandate or encourage geographical preference.
- O. The District will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor area surplus area firms are used when possible. Affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises; (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and (6) Requiring the prime contractor, if subcontracts are to be let, to take affirmative steps listed (1) through (5).
- P. The District will procure recovered materials in compliance with §200.322.
- Q. The District will perform a cost or price analysis relating to every procurement more than the Simplified Acquisition Threshold as defined in §200.88, and will otherwise comply with §200.323 as necessary.
- R. The District will require appropriate bonding requirements as per §200.325.

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- S. The District will only award contracts to Responsible Vendors and will document, in writing, such determination.
- T. District contracts will contain the applicable provisions described in Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.
- U. The District will maintain oversight to ensure that contractors perform in accordance with the contracts terms, conditions, and specifications, as well as applicable federal requirements and performance expectations under the federal award for each program, function or activity.
- V. Copies of executed contracts will be maintained on file and Purchase Orders will be maintained in the Nvision Procurement System, which is the District’s financial management system.
- W. The District’s financial management system will provide for the following, in accordance with §200.302: (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received, and, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any; (2) accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in § 200.327 (Financial reporting) and § 200.328 (Monitoring and reporting program performance); (3) Records that identify adequately the source and application of funds for federally-funded activities, which will contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation; (4) Effective control over, and accountability for, all funds, property, and other assets and that the District will adequately safeguard all assets and assure that they are used solely for authorized purposes; (5) Comparison of expenditures with budget amounts for each Federal award; (6) Written procedures to implement the requirements of § 200.305 (Payment); and (7) Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award.
- X. In order to implement the requirements of § 200.305 “Payments”, the District adopts the following written procedures:
 - 1. The District’s payment method will minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the District whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

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The District will require recipients to use only OMB–approved standard governmentwide information collection requests to request payment.

2. The District will be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that: (i) minimize the time elapsing between the transfer of funds and disbursement by the District; (ii) financial management systems that meet the standards for fund control and accountability as established in this part, advanced payments will be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the District in carrying out the purpose of the approved program or project; (iii) The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the District for direct program or project costs and the proportionate share of any allowable indirect costs; and (iv) The District must make timely payment to contractors in accordance with the contract provisions.
3. Whenever possible, advance payments will be consolidated to cover anticipated cash needs for all Federal awards made by the District to recipients.
4. To the extent available, the District will disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
5. Pursuant to § 200.305(b)(6), unless otherwise required by Federal statutes, payments for allowable costs by the District will not be withheld at any time during the period of performance unless the conditions of § 200.207, § 200.338, or one or more of the following applies: (i) The District has failed to comply with the project objectives, Federal statutes, regulations, or the terms and conditions of the Federal award; (ii) The District is delinquent in a debt to the United States as defined in OMB Guidance A–129, “Policies for Federal Credit Programs and Non–Tax Receivables” (under such conditions, the Federal awarding agency or pass-through entity may, upon reasonable notice, inform the District that payments must not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal government is liquidated); (iii) A payment withheld for failure to comply with Federal award conditions, but without suspension of the Federal award, must be released to the District upon subsequent compliance (when a Federal award is suspended, payment adjustments will be made in accordance with § 200.342);(iv) A payment will not be made to the District for amounts that are withheld by the District from payment to contractors to assure satisfactory completion of work. A payment must be made when the District actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

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- 6. Pursuant to §200.305(7), the District will not maintain separate depository accounts for funds provided to the District or establish any eligibility requirements for depositories for funds provided to the District. However, the District will account for the receipt, obligation and expenditure of funds. Advance payments of Federal funds will be deposited and maintained in insured accounts whenever possible.
 - 7. The District will maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply: (i) The District receives less than \$120,000 in Federal awards per year; (ii) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances; (iii) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources; (iv) A foreign government or banking system prohibits or precludes interest bearing accounts.
 - 8. Interest earned amounts up to \$500 per year may be retained by the District for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment in accordance with § 200.305(b)(9).
- Y. In order to implement the requirements of § 200.302(b)(7), the District adopts the following written procedures to determine the allowability of costs in accordance with 2 CFR Part 200, Subpart E Cost Principle:
- 1. Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under a Federal award: (i) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles; (ii) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items; (iii) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District; (iv) Be accorded consistent treatment. 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; (v) Be determined in accordance with generally accepted accounting principles (GAAP); (vi) Not be 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; (vii) Be adequately documented.
 - 2. 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. In determining reasonableness of a given cost, consideration must be given to: (i) Whether the cost is of a type generally

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recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award; (ii) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award; (iii) Market prices for comparable goods or services for the geographic area; (iv) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, where applicable its students or membership, the public at large, and the Federal government; (v) Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

3. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost: (i) Is incurred specifically for the Federal award; (ii) Benefits both the Federal award and other work of the District and can be distributed in proportions that may be approximated using reasonable methods; and (iii) Is necessary to the overall operation of the District and is assignable in part to the Federal award.

Z. Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under a Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in § 200.431. Costs of compensation are allowable to the extent that they satisfy the specific requirements of 2 CFR Part 200, including but not limited to § 200.430.

AA. The District will 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 District considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

Reference: General Municipal Law, §§103 (1)(5) and 104-b
Federal Register 2 CFR §200 (Subparts A-F) – General Procurement Standards

Adoption date: