

What the Law Says

While some spending provisions for federal grants are outlined in the Every Student Succeeds Act (ESSA), all federal funds are governed by a framework for grants management called The Uniform Grant Guidance (UGG). UGG obliges districts to implement and maintain financial management systems that comply with federal systems management requirements detailed in the [Code of Federal Regulations \(CFR\)](#).

[§200.303](#) Internal controls

The non-Federal entity (district) must:

1. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Supplement Not Supplant (SNS)

Federal funds are required to supplement, and not supplant existing state and local funding. In plain language, this means that federal funds should add to, and not replace, state and local funds.

Medford School District must demonstrate that the methodology we use to allocate state and local funds to schools provides each school with all of the state and local money it would receive if it did not participate in the Federal Program. In short, Medford School District is required to demonstrate that federal funding is supplemental. For example, reading intervention is required at all schools, federal funding can provide additional resources to the reading intervention program.

What it can fund

Federal funds can support a wide range of activities to help students meet state academic standards. This includes

- **Providing eligible students with a well-rounded education.**
- **Instructional supports.**
- **Non-instructional supports like behavior and mentoring supports and social and emotional learning.**
- **Improving school quality.**
- **Activities addressed within the school's comprehensive needs assessment.**

This guidance is a summary of purchasing practices with federal funds. This document is not all encompassing. Please contact Barbara Redding if you have any questions.

General Guidance

In general, District staff must consider the following elements when determining the allowability of a cost. In accordance with the federal cost principles, all costs budgeted and charged to a federal grant must be: Necessary and Reasonable for the performance of the federal award.

- **“Reasonable”** means that sound business practices were followed, and purchases were comparable to current market prices. **§200.404 Reasonable costs**
 - Can you prove this is the most economically priced item for the product?
- **“Necessary”** is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. It means it is vital or required to meet the objectives of the grant or for the grant to be successful.
 - How does this purchase meet my school’s Comprehensive Needs Assessment?

Purchasing with Federal Funds

All costs must be allowable under the federal cost principles in 2 CFR Part 200, Subpart E, and under the terms and conditions of the specific federal award.

“To the greatest extent practicable” you must provide a preference for the purchase of goods and materials produced in the U.S. §200.322

Use of the purchase request system and its workflow approval process ensure compliance with this requirement.

All Medford School District employees must adhere to [School Board Policy DJC](#) for district purchasing. This policy is in accordance with the Oregon State Purchasing legislation for public entities.

Purchasing Categories

Purchases fall into one of two categories. The following is a summary of the MSD Purchasing Practices.

1. Purchases under \$10,000
 - a. Considered a micro-purchase.
 - b. Use of the Federal Programs P-Card for purchases under \$1,000.00 is preferred.
 - c. A Purchase Order is required for all purchases over \$1,000.00.
 - d. Purchases over **\$5,000 with federal funds** but less than \$25,000
 - i. The Request for Quote (RFQ) process is required. Attach the quotes to your purchase request even if a state contract is used to select the vendor.
2. Purchases over \$25,000
 - a. The Request for Proposal (RFP) or Invitation to Bid (ITB) process is required.
 - b. Bidding protocols must be followed.
 - c. A Service Contract may be required.
 - d. If a Service Contract is required, the terms and conditions must be stated in the contract.
 - e. All contracts must be signed by the Superintendent or Assistant Superintendent of Operations.
 - f. Purchases over \$25,000 - please contact [Barbara Redding](#) for next steps.
 - i. **If over \$25,000, you must verify that the person/vendor with whom you intend to do business is not excluded or disqualified. w www.sam.gov**

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Making Purchases with Federal Funds

Creating a Purchase Request

Determine which purchase request form to use:

1. **FP Purchase Request-under \$5,000/P-Card Request Federal Programs P-Card** can be checked out. All P-Card purchases over \$1,000.00 require an approved purchase order before completing the purchase or checking out the card.
2. **FP Purchase Request-over \$5,000** All purchases will be made by Barbara Redding. All new vendors will require you to submit a W-9 or TAX ID No. with your purchase request.

General Purchasing Restrictions

While district memberships and subscriptions are allowable, vendor restrictions in the management of memberships and subscriptions may cause the membership and/or subscription to become unallowable under the laws for personal use. **§200.445 Goods or services for personal use.**

Examples (not an inclusive list):

- **Costco:** Unallowable - Costco restricts memberships to one individual.
- **Amazon Prime Membership:** Unallowable - Amazon Prime Memberships restrict memberships to one individual.
- **Supermarket Club Cards:** Unallowable if earning points that provide a discount to the individual. (ex. Fred Meyer card gives points to the individual which are converted into cash discounts on goods.)
- **Airline Miles:** Unallowable - Airline miles are restricted to one individual.

Ordering Instructional Materials including Software Programs

All Instructional Materials including software license purchases must be pre-approved. Please complete the *Request for NEW Instructional Resources*. Once you have received approval you may submit a purchase request. Don't forget to attach the approval to the order. All Instructional Materials purchased with Federal Funds must be evidence-based. Please check the [What Works Clearinghouse](#) and/or [Evidence for ESSA](#) for evidence-based solutions.

Check Out Process for P-Card

To make a micro-purchase with a Federal Programs P-Card complete *the FP Purchase Request-under \$5,000/P-Card Request* and submit it to Barbara Redding. All purchases with a P-Card over \$1,000.00 require a purchase order before making the purchase or checking out the card.

Billing Address for Orders

Medford School District 549C
Attn: Accounts Payable (accounting@medford.k12.or.us)
900 Kenyon Street
Medford, OR 97501

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