

**CITY OF LACONIA**

**FEDERAL GRANT MANAGEMENT  
POLICIES AND PROCEDURES MANUAL**

Adopted \_\_\_\_\_, 2019

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## INTRODUCTION

The purpose of this manual is to establish the policies and procedures for the City of Laconia concerning the management of federal grant awards. These federal grant management policies and procedures are designed to ensure fiscal and programmatic accountability of all federal funds awarded to the City.

The City of Laconia is committed to maximizing federal dollars for the greatest allowable public benefit while maintaining appropriate safeguards to ensure that taxpayer funds are not misused. It is the responsibility of the Finance Officer to oversee the implementation of the policies and procedures in this manual.

For the purpose of this manual, the term ‘City of Laconia’ also includes the SAU #30.

Chief Executive Officer refers to the City Manager for all City functions and SAU Superintendent for all SAU #30 functions.

Financial Officer refers to the Finance Director for all City functions and the SAU Business Administrator for all SAU #30 functions.

Purchasing Officer refers to the Purchasing Specialist for all City functions and Payroll/Accounting Specialist for all SAU functions.

### *Regulating Authorities*

- **City of Laconia Policy.** The policies and procedures in this manual are intended to supplement, not supplant, any City, including School District, employee and/or organizational policies and procedures, which remain in full effect.
- **Federal regulations.** As a recipient of federal grants, the City of Laconia will adhere to the regulations contained at 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, in addition to other applicable federal statutes, guidelines and directives.

## 1. PROGRAM AND FINANCIAL MANAGEMENT

It is the policy of the City of Laconia to maintain accurate, current and complete records of each federal grant received, including effective control and accountability for all funds, property and other assets. All accounting records will be supported by source documentation and will be retained as appropriate.

Each grant application shall identify a Grant Project Director who shall be assigned duties and responsibilities as outlined in this manual.

### 1.1 Primary Point of Contact

The Grant Project Director(s) shall serve as the primary contact between the City of Laconia and the federal funding agency and the City of Laconia's external grant partners or sub-recipients, when applicable.

### 1.2 Federal Drawdowns/Payments *Legal requirement: 2 CFR 200.305*

- A. **General.** Federal drawdowns will occur to reimburse for actual grant expenses incurred or in advance of obligations but no sooner than 72 hours in advance of actual, immediate cash needs. If the federal funding agency or pass-through entity places the City of Laconia on a "working capital advance" basis of payment, the City of Laconia will request up to six months of estimated expenses with each drawdown. When the City of Laconia has multiple federal grants, payment requests for each award will be submitted simultaneously when practicable.
- B. **Direct Expenses.** The City of Laconia will draw down federal funds as necessary to support its operations, in accordance with 1.2 A above, but no less than quarterly.
- C. **External Grant Partners or Sub-Recipients.** For grant projects involving external grant partners or sub-recipients, when the City of Laconia is the prime grant recipient and fiscal lead, the City of Laconia will draw down federal funds, on behalf of its external grant partners/sub-recipients, as necessary to either reimburse partners for expenses incurred or, when authorized by the funding agency, to provide three to six (3-6) months of advance working capital. Drawdowns for external grant partners/sub-recipients will take place at least quarterly.
  - 1. Partner organizations will submit their payment requests to the City of Laconia no later than two weeks after the last day of each calendar quarter. The Finance Officer may approve deadline extensions on a case-by-case basis.
  - 2. Payment requests will be processed in the order in which they are received.

3. Payment requests will contain a line item summary of the amounts being claimed. For reimbursement payments, documentation to support all partner/sub-recipient grant program costs will be submitted. For working capital advance payments, requests will be compared to the partner's/sub-recipient's approved grant budget.
  4. The Purchasing Officer will review the payment requests for accuracy and completeness. The Purchasing Officer will contact partner/sub-recipient for additional expense information or documentation as needed.
  5. The Purchasing Officer will make the final determination about allowable costs.
  6. The Grant Project Director will review and approve the partner/sub-recipient organization's payment request summary.
  7. The Purchasing Officer will prepare a letter, or electronic mail, for each grant partner/sub-recipient (a) summarizing all the disallowed costs from their payment request and (b) totaling the actual amount being disbursed to the partner organization or sub-recipient.
  8. The Purchasing Officer will code the approved partner/sub-recipient expenses into the accounting system and prepare the federal drawdown request for the Finance Officer's review.
- D. **Indirect Expenses.** To the extent feasible, indirect expenses will be included with every federal drawdown request.
- E. **Review and Approval.** The Finance Officer will review all federal drawdown requests prepared by the Purchasing Officer prior to submitting to the Accounting Department.
- F. **Bank Accounts.** Whenever possible, federal grant payments received will be maintained in insured and interest-bearing accounts.
1. Earned interest in excess of \$500 will be returned to the federal government or the pass-through entity as required.

### 1.3 Determining Allowability of Costs

*Legal requirement: 2 CFR 200.302(b)(7) and 2 CFR 200.403 - 2 CFR 200.405*

The City of Laconia will use applicable Federal Cost Principles to determine the allowability, reasonableness and allocability of costs applicable to federal grants. The Finance Officer will make final determinations regarding allowability, reasonableness and allocability of costs.

- An **allowable** cost is one that:

- Is necessary and reasonable for proper and efficient performance and administration of the grant;
  - Conforms to any limitations or exclusions set forth in the Federal Cost Principles or in the award as to types or amounts of cost items;
  - Is consistent with the City of Laconia's policies and procedures that apply both to federal awards and other activities of the organization;
  - Is treated consistently as a direct or indirect cost;
  - Is determined in accordance with generally accepted accounting principles (GAAP);
  - Is not included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period, unless specifically permitted by federal law or regulation;
  - Is adequately documented;
  - Is authorized or not prohibited under federal, state or local laws or regulations.
- A cost is **reasonable** if, in its nature or 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.
  - A cost is **allocable** to a particular federal grant if the goods, services or other activity involved are chargeable or assignable to the federal grant in accordance with the relative benefits received.

#### 1.4 Cost Share/Matching Funds

*Legal requirement: 2 CFR 200.306*

All cost share/matching expenses shall be documented in the same manner, to the extent feasible, as regular program expenses. All contributions, including cash and third party in-kind, shall be accepted as match/cost-share when such contributions meet all of the following criteria:

- Are verifiable from the contributor's records;
- Are not included as contributions for any other federal grant project or program;
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives;
- Are allowable under the applicable Federal Cost Principles;
- Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching;
- Are provided for in the approved budget when required by the federal awarding agency;
- Conform to other provision of 2 CFR 200.306, as applicable.

#### 1.5 Program Income

*Legal requirement: 2 CFR 200.307*

It is the City of Laconia's goal to make all programs sustainable through a combination of strategies including, when appropriate and authorized, generating income through program activities. The use of program income generated through a federally-funded program will be governed by the terms and conditions of the federal grant award, or sub-award, and the regulations at 2 *CFR* 200.307.

1.6 Program and Budget Revisions  
*Legal requirement: 2 CFR 200.308*

Some modifications to federal grant programs and budgets will require prior written approval from the Federal funding agency or pass-through entity. Requests for prior approvals, when necessary under 2 *CFR* 200.308, will be prepared by and submitted to the federal awarding agency or pass-through entity by the Purchasing Officer.

1.7 Performance Period  
*Legal requirement: 2 CFR 200.309*

Charges to federal grants for allowable costs will be incurred only during the grant term authorized by the federal funding agency or the pass-through entity.

1.8 Lobbying  
*Legal requirement: 2 CFR 200.450*

Federal grant funds will not be used for lobbying activities or other activities intended to influence federal or state legislation; federal, state or local elections; or to obtain grants, contracts, cooperative agreements or loans.

## 2. PERFORMANCE AND FINANCIAL MONITORING AND REPORTING

### 2.1 Reporting

*Legal requirement: 2 CFR 200.327, 2 CFR 200.328 and 2 CFR 200.329*

Federal grants awarded to the City of Laconia will require periodic financial and programmatic reports be submitted to the awarding agency. Accurate and timely reporting is critical to maintaining a good relationship with the grantor(s). Late or inaccurate reports may negatively impact current or future funding. The Grant Project Director(s) will prepare all required reports, allowing sufficient time for the Chief Executive Officer (or designee) to review prior to submission.

### 2.2 Monitoring Grant Program Progress

*Legal requirement: 2 CFR 200.328 and 2 CFR 200.331*

The City of Laconia will monitor the activities and progress of its federal grants as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of the grant agreements; and that performance goals are achieved. Grant Project Directors and the Finance Officer will be provided copies of original grant budgets and any subsequent revisions. Any problems, delays or adverse conditions that will materially impact the ability to meet a grant's objectives will be reported to the federal funding agency by the Finance Officer.

Strategies to monitor grant program progress include but are not limited to:

- **Ongoing oversight by Grant Project Directors.** Grant Project Directors must devote a sufficient amount of time every month to monitor the project's implementation. All financial and programmatic concerns and discrepancies must be reported to the Chief Executive Officer.
- **Quarterly reviews of expense documentation.** The Finance Officer will assess if sufficient program progress is being made based on a quarterly review of actual expenditures to budget estimates.
- **Site visits.** The Finance Officer or their designees will conduct site visits of all external grant partners/sub-recipients, if applicable, to review their progress, visit with partner leadership to discuss progress and any issues, and meet with business office staff to review documentation for expenses, personnel time and matching funds. Site visits will occur quarterly if possible but no fewer than two times per year.

### 3. PERSONNEL

#### 3.1 Personnel Activity Reports

*Legal requirement: 2 CFR 200.430(i)*

All the City of Laconia employees funded through federal grants are responsible for completing the Personnel Activity Reports on a monthly basis. Personnel Activity Reports must record all of their time spent on grant and non-grant activities and must be an after-the-fact reflection of the actual activity of each employee.

Personnel Activity Reports must be completed no later than five (5) calendar days following the end of every month. Employees will sign their Personnel Activity Reports and submit them to their supervisor for review and approval.

Employees that are not listed in a federal grant budget may not charge their time to the grant without prior authorization from the Chief Executive Officer.

#### 3.2 Employee Cost Share/Matching

*Legal requirement: 2 CFR 200.430(i)(4) and 2 CFR 200.306*

Employees whose time is used in meeting cost sharing or matching requirements on federal grant awards shall document their time in the same manner as employees in grant-funded positions.

See Section 1.4 for additional cost share/matching guidance.

#### 3.2 Relocation Costs of Employees

*Legal requirement: 2 CFR 200.464*

The City of Laconia will reimburse new or existing staff for actual expenses incurred due to a permanent relocation necessary to manage and/or support the implementation of a federal grant program. Allowable relocation costs for new and current staff are limited to:

- The costs of transportation of the employee, members of his or her immediate family and his household, and personal effects to the new location;
- The costs of finding a new home, such as advance trips by employees and spouses to locate living quarters and temporary lodging during the transition period, up to a maximum period of 30 calendar days.

The following relocation expenses, in accordance with 2 CFR 200.464(b), are available for current employees only at the discretion of the Chief Executive Officer:

- Closing costs, such as brokerage, legal, and appraisal fees, incident to the disposition of the employee's former home. These costs, together with those described in the next bullet point, are limited to eight (8) percent of the sales price of the employee's former home;

- The continuing costs of ownership (for up to six months) of the vacant former home after the settlement or lease date of the employee's new permanent home, such as maintenance of buildings and grounds (exclusive of fixing-up expenses), utilities, taxes, and property insurance;
- Other necessary and reasonable expenses normally incident to relocation, such as the costs of canceling an unexpired lease, transportation of personal property, and purchasing insurance against the loss of or damages to personal property. The cost of canceling an unexpired lease is limited to three times the monthly rental.

The following relocation costs will not be reimbursed:

- Fees and other costs associated with acquiring a new home;
- A loss on the sale of a former home;
- Continuing mortgage principal and interest payments on a home being sold;
- Income taxes paid by an employee related to reimbursed relocation costs.

### 3.4 Other

Please see the City of Laconia employee manual for policies related to:

- Labor standards
- Organization staffing
- Duty statements
- Salary and benefits
- Civil rights
- Drug-free workplace
- Workplace safety
- Sexual harassment

## 4. PURCHASING/PROCUREMENT

The purpose of this section is to establish the City of Laconia's policies and procedures concerning the acquisition of goods and services with federal grant funds. The City of Laconia's procurement policies and procedures are designed to ensure timely, efficient, and economic procurement, within the guidelines of good business practices. The policies and procedures in this section apply only to the procurement actions when federal grant funds are used. All purchases and procurements shall be reasonable and necessary (i.e., no unnecessary items shall be purchased).

### 4.1 Contract Administration and Payment Procedures *Legal requirement: 2 CFR 200.318(b)*

The Grant Project Director shall be responsible for monitoring the implementation of the procurement instrument and shall ensure the fulfillment of all written requirements. If the contractor violates any of the terms or conditions of its award, the Grant Project Director shall notify the Finance Officer immediately. The Finance Officer, or designee, is responsible for taking appropriate corrective action.

- A. **Contractor Payment Procedures.** Before contractor payments are processed, the following steps must be followed:
1. **Initial Review and Approval.** Contractors will submit invoices to the Grant Project Director. Invoices shall contain sufficient information for the Grant Project Director to determine if all deliverables and all appropriate services were provided during the invoice period.
  2. **Verification.** Once the Grant Project Director approves the contractor's invoice, the invoice will be sent to the Finance Officer who will verify all expenses are allowable and that funds are available for payment.
  3. **Payment.** The Finance Officer will prepare the contractor's check for the Treasurer's signature.

### 4.2 Standards of Conduct *Legal requirement: 2 CFR 200.318(c)(1) and 2 CFR 200.318(c)(2)*

The City of Laconia requires full and open disclosure when dealing with procurement. As such, City employees, elected and appointed officers and volunteers must avoid strictly any conflict of interest or the appearance of a conflict of interest. City employees, elected and appointed officers and volunteers must at all times provide full disclosure of their actions or relationships with prospective vendors, contractors, or consultants. If there is the slightest doubt as to the propriety of a procurement action, the Chief Executive Officer should be contacted immediately.

- A. **Employees.** City employees and officials shall not engage in conduct resulting in a real, potential, or apparent conflict of interest. A conflict of interest may arise when any action

by a City employee or official, whether isolated, recurring, or continuous, is to the direct financial advantage of this employee or official, of their spouse, parent, child or any member of the employee's immediate family. Employees and officials shall not participate in the selection, award, or administration of a contract supported by federal funds if a real, potential, or apparent conflict of interest would be involved. Such a conflict of interest would arise when any employee/official or any member of their family, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm/organization selected for a final contract. City employees and officials shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, sub-recipients, parties of project contractors, or entities regulated by its member states. City employees and officials are, however, allowed to accept unsolicited gifts of a nominal face value not to exceed \$100. The Chief Executive Officer will be responsible for determining the disciplinary action that will be imposed for any conflict of interest violations.

- B. Members of the Governing Board.** Neither the Mayor, City Councilors nor members of the Laconia School Board shall engage in conduct resulting in a real, potential, or apparent conflict of interest. A potential conflict of interest may arise when action by such official, whether isolated, recurring, or continuous, is to the direct financial advantage of this individual, or their spouse, parent, child or any member of the councilor's immediate family. As appropriate, the City Council or the Laconia School Board will be responsible for determining the disciplinary action that will be imposed for any code of conduct violations.
- C. Conflict of Interest Statements.** The Finance Officer shall maintain a file of conflict of interest statements for all employees with responsibility for procurement of goods or services.

#### 4.3 Procurement Records and Files *Legal requirement: 2 CFR 200.318(i)*

For each procurement action, the Purchasing Officer shall maintain a procurement file with the following information:

- Signed copy of the procurement instrument (e.g., purchase order, contract, etc.);
- All amendments to the procurement instrument;
- Copies of all bids and offers;
- All purchase specifications including delivery requirements;
- Cost/price analysis that was the basis for the award cost or price;
- Contractor evaluation/ranking sheets from selection committee members;
- As applicable, a written justification as to why sole source or minimum competition was used;
- Written explanation as to why the winning contractor was selected;
- Documentation that the selected contractor is not suspended or debarred;
- As applicable, prior written approval documentation from federal funding agency;

- Upon completion of the contract, written comments regarding the quality of the vendor’s services and guidance and recommendations regarding potential future work.

4.4 Open and Free Competition

*Legal requirement: 2 CFR 200.319*

The City of Laconia strives to ensure full and open competition, guarantee the objective performance of the contract and eliminate the possibility for unfair competitive advantages. Proposal selection shall be based on responsiveness to the solicitation, price, quality, deadlines of delivery, warranties, accountability and fulfillment of the service and other relevant factors.

To ensure full and open competition, City will abide by the following guidelines:

Procurement Amount	Action
Greater than \$150,000	Formal solicitations shall be conducted in accordance with Section 4.5 E and a cost/price analysis shall be conducted in accordance with Section 4.7
\$3,001 - \$150,000	Cost/price analysis shall be conducted in accordance with Section 4.7
\$1 - \$3,000	Formal solicitations or cost/price analysis are not required.

A formal solicitation may also be conducted for any procurement less than the amount indicated above as per City policy or at the discretion of the Chief Executive Officer.

Alternative procedures, which ensure full and open competition, may also be used on a case-by-case basis as approved by the Chief Executive Officer. A written justification will be prepared and kept on file for any alternative procedures.

The City reserves the right to award purchase orders, consultant agreements or project contracts on a sole source/noncompetitive basis when one or more of the following circumstances apply:

- (1) The item or service is available only from a single source that has predominate capability;
- (2) There is a public exigency or emergency that will not permit a delay from competitive solicitations;
- (3) The City of Laconia received prior approval from the Federal awarding agency; or
- (4) Competition is determined to be inadequate after solicitation from a number of sources. A written justification will be prepared and kept on file for any noncompetitive procurement. Only the Chief Executive Officer may authorize a sole source agreement or contract.

4.5 Procurement Procedures

*Legal requirement: 2 CFR 200.320*

A. **Purchasing Necessary Items.** Only items that are necessary for the efficient and effective operation of City’s Federal grant programs will be purchased. This pertains both to items purchased for the direct and indirect project operations.

B. **Lease versus Purchase Analysis.** For all purchases with a unit cost greater than \$3,000, there will be an analysis as to whether it is more cost effective or practical to purchase or lease the item. This analysis will be performed by an appropriate member of the senior staff.

C. **Methods of Procurement.** One of the following procurement methods must be used:

Procurement Method	Purpose
Micro-purchases	For supplies or services when the aggregate dollar amount does not exceed \$3,000 (\$2,000 for construction projects when Davis-Bacon applies). Solicitation of price quotations is not required.
Small purchases	For supplies, services or other property that do not exceed \$150,000. A cost/price analysis must be conducted in accordance with Section 4.7
Sealed bids	The preferred procurement method for construction projects. Formal advertising required in accordance with Sections 4.5 E and 4.7. A minimum of two responsible bidders must be considered. Fixed price (lump sum or unit price) contracts must be awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the solicitation, is the lowest price.
Competitive proposals	For supplies and services of more than \$150,000 when the use of sealed bids is not appropriate. Requests for proposals must be formally advertised and solicited from a minimum of two qualified sources. Formal solicitations shall be conducted in accordance with Sections 4.5 E and 4.7
Noncompetitive proposals	Authorized only by the Chief Executive Officer. See Section 4.4 for additional information.

D. **Procurement Authority for Operating Expenses.** The authority to approve and execute procurement transactions on behalf of the City of Laconia is as follows:

1. **Office Supplies.** Employees are allowed to order necessary supplies to accomplish business related tasks up to the amount of \$100. In all cases where the amount of the purchase price exceeds \$100, the employee's supervisor must approve the purchase prior to expenditure of funds.
  2. **Significant Expenditures.** Before any expenditure in excess of \$1,000 is made by an employee or department, the department supervisor must obtain the Department Head's approval. Expenditures in excess of \$5,000 require the Chief Executive Officer's approval.
  3. **Consulting/Professional Services Agreements.** Contracting for consulting and professional services will be performed in accordance with the open competition guidelines in Section 4.4. Only the Chief Executive Officer is authorized to sign consulting/professional agreements on behalf of the City. Prior approval may be required by the Federal awarding agency (see #7 below).
  4. **Purchases of Equipment.** Equipment is defined as an item with a unit cost of \$5,000 or more and having a useful lifespan of greater than one year. The Chief Executive Officer shall approve all equipment purchases. Prior approval may be required by the Federal awarding agency (see #7 below).
  5. **Purchases of Technology.** All proposed purchases of office technology, regardless of cost, must be approved by the Finance Officer. Examples of the types of technology the Finance Officer must review prior to purchase are computer hardware and software, cell phones, iPads, printers, photocopiers, digital cameras, scanners and fax machines.
  6. **Other Services.** The use of consultants, professional service providers and other vendors not contained in a federal grant budget must be reviewed and approved by the Finance Officer and the Chief Executive Officer.
  7. **Prior Approvals.** Before proceeding with project purchases of goods or services, prior written approval may be required by the federal awarding agency. Requests for prior approvals, when required, are prepared by and submitted to the federal awarding agency or pass-through entity by the Purchasing Officer. No procurement will occur without the required prior approval.
- E. **Formal Solicitation Process.** A formal solicitation must be conducted for each procurement greater than \$10,000. Formal solicitations for procurements less than \$10,000 are at the discretion of the Finance Director.

This solicitation will be performed in accordance with the following steps:

1. **Prepare Requests for Proposals (RFP).** Upon approval by the Chief Executive Officer, the Purchasing Officer, working with the appropriate departmental personnel, shall prepare an RFP. Each RFP will contain the following information:
  - Brief statement of purpose or intent;
  - Clear and accurate description of the products or services required in sufficient detail to allow the preparation of a responsive bid;
  - The period of performance of the contract;
  - Clear statement that the contracting entity will be the City of Laconia;
  - Evaluation criteria;
  - Name and phone number for the City's single point of contact for RFP inquiries;
  - Date and time by which proposals must be returned;
  - Date, time and location proposals will be opened and reviewed;
  - The format in which proposals should be prepared;
  - The address to which proposals should be delivered;
  - The number of proposal copies to be submitted;
  - The method and timing of payment(s);
  - Any other information which it may be necessary or desirable to provide, including the consequences if due dates are missed or work does not meet prescribed standards.
  
2. **Distribute RFPs.** The City will make RFPs available to interested parties via its website, and social media outlets. Requests for Proposals will be advertised in a newspaper of general circulation in the city where the work will be performed. RFPs will also be sent to firms known to have sufficient qualifications and experience to submit a serious proposal. Advertising RFPs online through professional association websites is encouraged to solicit the maximum number of qualified responses.
  
3. **Review Proposals.** All proposals will be reviewed by the Finance Director, and the Grant Project Director using standard evaluation criteria, such as price, quality, delivery terms, contractor/consultant integrity, financial and technical resources, accessibility to other necessary resources and record of past performance. Any reviewer who has been an employee of any of the organizations submitting proposals **or** who is directly related by blood or marriage to a senior employee of any organizations submitting proposals **or** has a financial interest in any of the organizations submitting proposals, shall notify the Finance Officer of this, and will be excluded from participation in the review process.
  
4. **Contractor Selection.** The Chief Executive Officer in consultation with the senior staff members will be responsible for selecting a contractor. Written documentation of the review process, including all ranking sheets, and the basis for contractor selection shall be prepared by the Purchasing Agent, or designee,

and maintained in city hall. If the recommendation does not represent a consensus, than any minority positions shall be recorded.

5. **Contracting.** Once the selection has been made, the Chief Executive Officer or designee, will negotiate a contract with the selected individual, organization or company. The contract will adhere to the provisions of *2 CFR 200.326 and Appendix II of the Uniform Guidance* (See Section 4.8). The contract will be signed by the Chief Executive Officer or his designee and a duly authorized representative of the contracting organization. A copy of the executed contract will be retained by the Purchasing agent.

- F. **Suspension/Debarment.** No procurement will be made from a contractor that has been suspended or debarred from receiving federal funds. Prior to awarding any contract, the Grant Project Director will search the federal *Excluded Parties List System* ([www.sam.gov](http://www.sam.gov)) to determine that the individual, company, organization and their principals are not suspended or debarred.

#### 4.6 Use of Small Businesses, Minority-owned Firms and Women's Business Enterprises *Legal requirement: 2 CFR 200.321*

The City will make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises, to the fullest extent practicable. To further this goal, the City will:

- Place qualified small and minority businesses and women's business enterprises on solicitation lists to encourage and facilitate their participation;
- Solicit small and minority businesses and women's business enterprises when they are identified as potential sources;
- When feasible, divide larger projects into smaller components to permit maximum participation by small and minority businesses and women's business enterprises;
- Establish delivery schedules, when permissible, that encourages participation by small and minority businesses and women's business enterprises;
- Use the services of organizations such as local Chambers of Commerce, the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
- Require prime contractors to take the abovementioned affirmative steps when subcontracts are to be awarded.

#### 4.7 Cost or Price Analysis *Legal requirement: 2 CFR 200.323*

A cost or price analysis shall be conducted for every procurement action **greater than \$150,000**. The cost or price analysis shall be performed **prior to** receiving bids or proposals. A cost analysis shall consist of a review and evaluation of each element of cost to determine

reasonableness, allocability and allowability. A price analysis shall consist of comparing price quotations, market prices and similar information.

A minimum of two written price quotes shall be obtained for procurement actions **between \$3,001 - \$150,000**. Written quotes may be received directly from a provider or from a vendor's website if available. For *equipment, technology or other goods* with a unit cost of greater than \$5,000, there will be an analysis as to whether it is more cost effective or practical to purchase or lease the item. For *consulting/professional services*, the Finance Officer or designee will:

1. Identify a sufficient number of consultants/professional service providers to contact in order to receive at least two written cost estimates.
2. Send a letter of inquiry to each consultant that defines the City's need, scope of work and timeline.
3. Evaluate the consultants' proposals and costs.
4. Select the most responsive proposal and either (a) modify it through negotiation with the consultant or (b) accept it and sign an agreement or execute a contract.

4.8 Required Contract Provisions

*Legal requirement: 2 CFR 200.326*

The City of Laconia shall include, in addition to provisions to define a sound and complete agreement, all provisions required by the Federal funding agency and applicable provisions found in *Appendix II of the Uniform Guidance (2 CFR Part 200)*.

## 5. PROPERTY MANAGEMENT

This section relates to the purchase of real property and equipment with federal funds. **Real property** is defined as “land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.” **Equipment** is defined as “tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.” Items with a value less than this amount will be classified as supplies.

Real property and equipment purchased with federal funds will be insured to the same level as real property and equipment purchased by the City with non-federal funds. The Chief Executive Officer will establish procedures to safeguard property and equipment from loss, damage or theft; any loss, damage or theft will immediately be reported to the Finance Officer and investigated. Real property and equipment acquired or improved with federal grant funds will be held in trust by the City as trustee for the beneficiaries of the grant funded project or program. Property and equipment will be maintained in good condition at all times.

### 5.1 Equipment Records

*Legal requirement: 2 CFR 200.313(d)(1)*

- A. For all equipment purchased with federal grant funds, City will maintain accurate information about the equipment including the following:
- A description of the equipment;
  - A serial number or other identification number;
  - Source of funding for the equipment, including the Federal Award Information Number (FAIN);
  - Whether title vests in the recipient or the federal government;
  - Acquisition date (or date received if equipment was furnished by the federal government) and cost;
  - Information from which one can calculate the percentage of federal participation in the cost of the equipment (not applicable to equipment furnished by the federal government);
  - Location, use and condition of the equipment and the date the information was reported;
  - Ultimate disposition data, including date of disposal and sales price.
- B. Equipment owned by the federal government shall be identified to indicate federal ownership.

### 5.2 Inventory

*Legal requirement: 2 CFR 200.313(d)(2)*

The City of Laconia will conduct a physical inventory, and the results reconciled with the equipment records, at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. In connection with the inventory, City will verify the existence, current utilization and continued need for the equipment.

5.3 Equipment Sales

*Legal requirement: 2 CFR 200.313(d)(5)*

When authorized, or required, to sell equipment, the Finance Director, or designee, will take steps to maximize the proceeds from a sale.

5.4 Disposition

*Legal requirement: 2 CFR 200.311(c) and 2 CFR 200.313(e)*

- A. **Real property.** When real property is no longer needed for the originally authorized purpose the City of Laconia will request disposition instructions from the federal awarding agency or pass-through entity.
- B. **Equipment.** When equipment purchased with federal grant funds is no longer needed for the original project or program or for other federally-funded activities, City staff will consult the grant's terms and conditions, 2 CFR 200.313(e) and the federal grant program officer, or the pass-through entity, for disposition instructions.

## 6. RECORDS AND INFORMATION

### 6.1 Financial and Program Records

*Legal requirement: 2 CFR 200.333*

- A. Financial records, supporting documents, statistical records, program documents, evaluation reports and all other records pertinent to a federal grant award shall be retained for a period of three years from the date of submission of the final expenditure report. The only exceptions are the following:
- If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken;
  - If the federal awarding agency, or pass-through entity, notifies the City that records must be retained beyond the three-year period;
  - Records for real property and equipment acquired with federal funds shall be retained for three years after the final disposition;
  - Indirect cost rate proposals and cost allocation plans (see below).
- B. Indirect cost rate computations or proposals, cost allocation plans and any similar accounting computations that form the basis for the negotiation of the indirect cost rate with the Federal awarding agency shall be retained for three years beginning on the last date of the fiscal year covered by the proposal.

### 6.2 Access to Records

*Legal requirement: 2 CFR 200.336*

The City of Laconia will grant personnel from the federal awarding agency, Inspectors General, the Comptroller General of the United States and the pass-through entity, or any of their authorized representatives, access to any documents, papers, or other records which are pertinent to the federal grant. City staff will be available to answer questions related to such documents. Federal grant related documents are not subject to the Freedom of Information Act (FOIA) while under City control.

### 6.3 Safeguarding Sensitive Information

*Legal requirement: 2 CFR 200.303(e)*

As the custodian of sensitive and private information, the City of Laconia recognizes the importance of protecting information resources from loss, misuse, unauthorized access or modification. All printed and electronic material containing confidential, personal information related to business, financial or grant program transactions—including but not limited to name, birth date, address, telephone number, social security number, photographs, account numbers or other personally identifiable information (PII)—are to be safeguarded.

The Finance Director, or designee, is responsible for conducting and monitoring an annual risk assessment and security audit to ensure that any potential threats to information security are identified, evaluated and resolved.

All employees are to be informed of their obligation to City, its clients and its partners to protect the confidential nature of the PII obtained and used during the course of its daily operation. City supervisory and management personnel has the authority to monitor employee work as a quality assurance measure. In the event that inappropriate employee or volunteer conduct is detected, supervisory and management personnel will address the issue with the employee or volunteer and take appropriate remedial or disciplinary action as determined warranted under the circumstances, including termination of the employee or volunteer.

## 7. TRAVEL

### 7.1 General

*Legal requirement: 2 CFR 200.474(a)*

For the purpose of this policy, travel costs are the expenses for transportation, lodging, subsistence and related items incurred by City of Laconia employees who are in travel status on official business of the organization related to federal grants.

It is the City's policy to reimburse employees for allowable, necessary and reasonable travel expenses incurred while conducting City business related to Federal Grants. While accommodations and services required should be both comfortable and appropriate for the business needs, they should be reasonable and not excessive in cost. Travel expenses should be consistent with those normally allowed in like circumstances for the City's non-federally-sponsored activities.

The City of Laconia expects each traveler, including senior staff authorized to approve expense reports, to exercise prudence and judgment toward City travel expenses. Expenses should be commensurate with the nature of the business assignment and the capacity in which the individual represents the City.

Expenses reimbursed by the City of Laconia with federal grant funds:

- Lodging and in-room Wi-Fi when necessary for work purposes.
- Meals and incidentals (i.e., tips and service charges) according to the City's guidelines in Section 7.2
- Temporary dependent care costs according to the City's guidelines in Section 7.2
- Air travel
- Ground transportation
- Car rentals
- Tolls and parking
- Business phone calls
- Faxes

Expenses NOT reimbursed by the City of Laconia with federal grant funds:

- Alcoholic beverages
- In-flight movies, hotel room movies or other forms of entertainment
- Newspapers, magazines, books or similar entertainment
- Toiletries and medications
- Luggage, briefcases and clothing

Each employee is responsible for making their own travel arrangements using a company-approved online business travel website, or a similar travel website if lower prices are available. When several employees (greater than two) are traveling to the same destination for the same work function, they will coordinate travel arrangements and lodging so as to minimize costs.

7.2 Lodging, Subsistence, Dependent Care

*Legal requirement: 2 CFR 200.474(b), 2 CFR 200.474(c)*

Accommodations at moderately priced hotels are considered adequate for business travel. Because prices vary a great deal depending on the location and the time of year, each City employee planning a business trip required for work on City business relating to federal grants should use his or her best judgment in selecting a moderately priced hotel.

Suites are not permissible unless the employee is staying at a “suite hotel,” where all rooms are priced comparably to a moderately priced hotel.

The reasonable costs of telephone, in-room Wi-Fi, fax and hotel parking charges are reimbursable if:

- Telephone, in-room Wi-Fi and fax charges are for business purposes
- Self-parking at no charge is not an option at the selected hotel

A. **Daily Meal and Incidentals.** When traveling on City business for the City’s federal grants, City employees will be reimbursed for meals and incidentals on a per diem basis using the U.S. General Services Administration (GSA) rates for the city in which the traveler is visiting; the first and last calendar day of travel is calculated at 75 percent. Receipts for meals and incidental expenses will not be required for expense reimbursement.

B. **Temporary Dependent Care.** The City of Laconia will reimburse employees for the cost of temporary dependent care when the employee is required to work City business for the City’s federal grants provided the expense is above and beyond the regular dependent care costs paid by the employee; is a direct result of the employee’s travel for the federal grant; and is only temporary during the travel period. Travel costs for dependents is not allowable from federal grant funds.

7.3 Commercial Air Travel

*Legal requirement: 2 CFR 200.474(d)*

Air travel required City business relating to federal grants should be booked well in advance, whenever possible, in order to obtain the lowest, unrestricted fare. As a benefit to employees who travel on City business, the employee may retain the frequent flyer miles earned on each trip.

A. **Domestic Air Travel.** All travel will be coach class or the least expensive unrestricted fare unless special circumstances exist and such accommodations would: require circuitous routing; require travel during unreasonable hours; excessively prolong travel; result in additional costs that would offset the transportation savings; or offer accommodations not reasonably adequate for the traveler’s medical needs.

B. **International Air Travel.** See Section 7.5.

- C. **Business or First Class Air Travel.** In general, business or first class air travel is not allowed except when the customary standard commercial airfare accommodation falls into one or more of the special circumstances identified in paragraph A, Domestic Air Travel, above. The employee must justify and document these conditions on a case-by-case basis. Documentation must be submitted to, and approved by, the Finance Director.

7.4 Air Travel by other than Commercial Carrier  
*Legal requirement: 2 CFR 200.474(e)*

Federal grant funds will not be used for air travel on non-commercial carriers when such costs exceed the cost of allowable commercial air travel. The portion of such costs that exceeds the cost of allowable commercial air travel provided in Section 7.3 is unallowable.

7.5. Foreign Travel  
*Organizational Policy*

Foreign travel is allowed only when approved by the Chief Executive Officer and the travel has received prior written approval of the federal awarding agency. Each separate foreign trip must receive such approval.

7.6 Ground Transportation  
*Organizational Policy*

Airport buses, shuttles or hotel courtesy vans should be used when possible. The use of a taxi is permitted for approved business travel when use of public transportation is not practical. Car services and limousine services are not allowed using federal grant funds.

7.7 Car Rentals  
*Organizational Policy*

Car rentals are permitted if the employee expects to travel extensively for City business purposes. The car must be rented in the name of the person who will be requesting reimbursement. Employees should select a compact or intermediate/mid-sized automobile unless there are a sufficient number of passengers where it becomes more economical to rent a larger vehicle such as a sport utility vehicle (SUV).

7.8 Toll and Parking Charges  
*Organizational Policy*

Tolls and parking charges incurred while on City business are reimbursable. (Charges incurred in daily travel between home and place of business are considered commute expenses and are not reimbursable.)

7.9 Expense Reimbursement Procedure  
*Organizational Policy*

It is the responsibility of the individual incurring the expense—and those reviewing and approving the expense—to ensure that expenditures are allowable, appropriate and reasonable. The approval of an expense report is not only an authorization to charge to a certain grant budget, but also certification that the expense is in accordance with City’s Internal Control Procedures and Federal Cost Principles.

Expense reports must be approved by the employee’s supervisor/manager and by the Finance Director. Once the supervisor has approved the expense report, please submit the expense report along with the receipts to City Finance Department.

A. **Required Documentation for Expense Reports.** The ability to expedite payment for reimbursement of expenses is dependent upon the adequacy of the expense report’s supporting documentation. The following supporting documents must be provided with the expense report:

- Original itemized receipts for all daily meals and incidental expenses
- Detailed hotel bills from the hotel (hotel bill must be broken down into room charges, meals, telephone calls and parking)
- Airline ticket stubs/receipts (automatically generated when booked through an online travel website)
- Rental car receipts
- Receipts for trains, taxis, shuttles, parking
- Receipts for all other allowable reimbursable expenditures