



## **ACEDC POLICY GRANT COMPLIANCE POLICY AND PROCEDURES**

### **Purpose:**

The purpose of this policy and these procedures are to create an internal system of approval, application, accounting, financial administration, and reporting of grants and projects funded grants by ACEDC.

### **Policy:**

It is the policy of ACEDC that following grant research and identification by staff, but prior to grant application, board approval is required. If awarded, appropriate oversight of subgrantees (if required), grant accounting, and reporting shall be undertaken in a manner that meets the requirements of the grantor and this policy.

Herein, the term “ED” refers to the ACEDC Executive Director; the term “PGM” refers to the ACEDC Project and Grants Manager; the term “OM” refers to the ACEDC Office Manager; and the term “AF” refers to contracted accounting firm.

### **1. Types of Grants:**

Grants received by ACEDC are generally restricted grants to be used for specific projects, recipients, or purposes, or for operating specific programs. Some unrestricted grant funds are received for general organization operations. For both types, a grant agreement, contract, or Memorandum of Understanding (MOU) usually specifies the scope of work to be performed, the timeline for completion of the project/program, and reporting and invoicing requirements.

ACEDC may receive the following types of restricted grants:

- Reimbursement Grants – These are restricted grants for which the grantor reimburses costs after they are incurred. ACEDC is required to prepare claims for incurred costs or to submit requisitions via an approved web-based application and is reimbursed based on submitted periodic progress reports. (Example: USDA/RD RBDG for EcoGlobal Feasibility Study)
- Non-reimbursement Grants – These are restricted grants for which the grantor disburses the entire grant proceeds at the beginning of the grant period, or in periodic installments during the grant period. Periodic and/or grant closure reports are typically required. (Examples: BGS Building Community; Vermont Tourism).

ACEDC may also receive unrestricted grants, such as the annual ACCD RDC grant. Unrestricted grants are not earmarked for a particular program or project and are therefore available to finance general operations of the organization. However, the organization must fulfil the requirements of the grant agreement and

submit required reports and invoices.

Both restricted and unrestricted grants may include revenue directed to ACEDC for administration of the grant, for acting as a fiscal agent for the subgrantee or final recipient, or for general organization operations.

## **2. Accounting, Banking, and Budgeting Procedures:**

### **A. Unrestricted grants to ACEDC**

Unrestricted grants that are made directly to ACEDC that may be used for general operating expenses shall be accounted for in QB and included in the budget as income, under grants, with a line for the specific grant. Expenses shall be recorded under the appropriate expense line. Income and expenses shall appear on the Profit & Loss statement. When the income is recorded, QB shall indicate the grantor and grant number and include a copy of the grant agreement. Funds shall be deposited into, and expenses paid from, the Operating Account.

### **B. Restricted non-reimbursement grants to ACEDC**

Restricted non-reimbursement grants that are made to ACEDC shall be accounted for in QB as liabilities with documentation of the grantor and grant number and a copy of the grant agreement attached. The QB entry shall also make note of the intended expenditure amounts and schedule and be set up such that a QB report can be prepared at any time showing the grant amount received and disbursements made. The liability shall appear on the Balance Sheet until the grant is disbursed in full. Funds shall be deposited into, and expenditures paid from, the Trust Account.

### **C. Restricted reimbursement grants to ACEDC**

Restricted reimbursement grants that are made to ACEDC shall be set up in QB with the grantor and grant number indicated, a copy of the grant agreement attached, and in a manner that allows a report to be prepared at any time showing the total grant expected, expenditures paid, and reimbursements received to date. When grant expenditures are made, the expenditure shall be accounted for as income in an amount equal to the expenditure when the reimbursement request is submitted to the grantor, and the expenditure documentation shall be attached to the transaction in QB. QB shall also record when the reimbursement is received from the grantor. Any unreimbursed disbursements shall appear on the balance sheet as a receivable. Grant expenditures shall be made from, and reimbursements deposited into, the Trust account.

### **D. Grant Administration and Fiscal Agent Fees, non-reimbursement grants**

Fees paid to ACEDC for grant research, application, management, or administration, whether stand-alone fees or a fee incorporated in a larger grant, shall be accounted for in QB and included in the budget as income, under grant management, with a line for the specific grant. The income shall appear on the Profit & Loss statement. When the income is recorded, QB shall indicate the grantor and grant number and include a copy of the grant agreement. Funds shall be deposited into the Operating Account.

## **E. Grant Administration and Fiscal Agent Fees, reimbursement grants**

Fees paid to ACEDC for grant research, application, management, or administration, when included as part of a reimbursement grant, shall be accounted for as income in an amount equal to the expenditure when the reimbursement request is submitted to the grantor, and the expenditure documentation shall be attached to the transaction in QB. QB shall also record when the reimbursement is received from the grantor. Any unreimbursed fees shall appear on the balance sheet as a receivable. Fee reimbursements deposited into the Operating account.

### **3. Grant Procedures:**

#### **A. Grant Research and Identification**

Prior to initiating research on available grants, the ED and PGM shall identify specific programs, initiatives, or projects to be funded. Grants will only be sought for programs, projects, and initiatives that are consistent with the goals and objectives of the ACEDC OPOS and fiscal year work plans and that advance the Addison County Regional Economic Development Strategy and the West Central Vermont CEDS. Research shall include the identification of any required match (cash/in-kind) and a determination of the available in-kind budget. If the grant is to be sought on behalf of a partner entity, the terms of the grant scope of work, any administrative fees, and match shall be determined prior to submittal of an approval request to the Board.

#### **B. Grant Fees and Calculation of Match/In-Kind**

The fee for pre-application grant research, grant writing, and/or grant submittal shall be paid at a rate calculated using the following formula: [PGM annualized hourly rate + benefits + indirect costs]. After preliminary discussions with the entity, and agreement that ACEDC will perform grant pre-application tasks, ACEDC shall enter into a grant research, writing, submittal agreement that details the timeline, scope of work, and deliverables.

Unless a rate or percentage is dictated by the grantor, grant administration or management by ACEDC shall be paid at a rate of [PGM annualized hourly rate + benefits + indirect costs]. Prior to filing an application, ACEDC and the applying entity shall enter into a preliminary agreement regarding grant timeline, scope of work, cost, and deliverables. Upon grant award, ACEDC and the entity shall enter into a final agreement regarding grant timeline, scope of work, cost, and deliverables.

When calculating staff rates for match and in-kind contributions, the following formula shall be used for each staff member involved in the application:

Annualized hourly rate + benefits + indirect costs

## **C. Grant Application Board Approval**

Prior to submission of any grant application, whether ACEDC is applicant or ACEDC is assisting another entity with an application, the ED, with support of the PGM, shall complete a Board Request consisting of the following:

- Executive Summary
- Board Memo
- Board Resolution (only when ACEDC is applicant and recipient)

The Board Request shall include, at a minimum, the following information:

- Details on the match requirement, the cash and/or in-kind match expenditure by ACEDC, regardless of the amount of the match.
- The scope of work required of ACEDC staff, ACEDC staff time required.
- If the grant involves a third party or partner, a clear explanation of the role of each participant.
- Estimate of ACEDC revenue and costs for each fiscal year.
- How the project, program, or initiative meets the objectives of the ACEDC OPOS, fits the fiscal year workplan, and advances the Addison County REDS and West Central Vermont CEDS.

Grant applications in which ACEDC is the grant applicant and recipient must be approved by the ACEDC Board, regardless of grant size, through the passage of a Board Resolution.

## **D. Grant Administration**

### **1. Cash Management**

ACEDC shall maintain the following procedures for cash management of private foundation, state, and/or federal grant funds (Grant Funds) and the related project, program, or initiative:

- All contracts or grant agreements executed by ACEDC (directly or indirectly) that are funded with Grant Funds must include the following, which shall be retained in electronic format:
  - Requirements for award
  - Requirements for subawards, if allowed
  - Requirements for cost analysis, match requirements, record keeping, and billing procedures
  - Specifics for suspension or extension options of award
  - All appropriate requirements and regulations that pertain to the award
- All Grants Funds shall be setup with QuickBooks accounting to include:
  - Name of Grantor
  - CFDA title and number, if appropriate
  - Award identification number and year
  - Name of pass-through entity, if any

All requirements pertaining to the specific award shall be followed. Reimbursement request for costs previously incurred shall follow stated guidelines and rules within the contract or grant agreement.

The PGM, with supervision by the ED and reports from the AF, shall monitor the costs and expenditures of each award closely to ensure that the budget is not exceeded, the match requirements are met, and that the cash is available for spending. All efforts shall be taken to avoid spending monies that are unavailable or incurring costs not expected to be reimbursed.

Methods of valuing matching requirements and in-kind contributions of property and/or services, calculations of effort, etc. shall be maintained by the PGM and overseen by the ED in the management of the award over the duration of the award. These methods will be based on the formula contained in Section 3.B. unless there are requirements specific to the award stated in the award contract, based on accepted policies for the program, or based on the methods included in the grant application. Transactional accounting of match, level of effort, or earmarking shall reported to the PGM by the AF, and monitored and documented by the PGM during the award period.

Subcontracts or subawards between ACEDC and other entities shall be established consistent with the requirements governing the award. Payment arrangements will be detailed in the subcontracts or subawards between ACEDC and other entities. Invoices and backup documentation shall be reviewed upon receipt by the PGM for completeness and accuracy, submitted to the ED for approval, then processed by the AF. Payments will be made as processed, but no more than once monthly. Typically, reimbursed expenditures will be paid the subawardee monthly and invoiced to the grantor quarterly.

## **2. Grant Management**

Unless otherwise directed by the grantor, ACEDC shall follow the federal requirements in OMB Uniform Guidance, Subpart E (Cost Principles) for administering all awards. The allow-ability of costs is further determined by any additional requirements pertaining to the specific contract and award.

Subsequent to the identification of any instances of non-compliance, ACEDC shall take prompt action to remedy the situation. All such actions shall be documented in writing.

### **a. Equipment Purchase and Disposition:**

The PGM shall maintain all records for acquisitions and disposition of property acquired with grant funds by retaining purchase receipts, confirmation of purchase, support contracts, and warranty paperwork and attaching them to expense vouchers for review and approval by the ED, and subsequent recording by the AF. Such documentation is to be maintained for equipment with a useful life greater than one-year and acquisition cost equal to or greater than \$5,000.

Backup documentation will be retained in the grant vendor file, in electronic format.

As a backup, the PGM shall maintain, and record equipment purchases on a spreadsheet showing date of

purchase, model, status and location of equipment, and price and contract award information.

The Office Manager (OM) will ensure that property tags are placed on each item that corresponds with the spreadsheet to be maintained by the PGM.

Physical inventories of equipment shall be performed annually.

Upon receipt, all inadequate or broken equipment received shall be returned to the vendor with a request for full refund or replacement. If refund is given, the award shall be credited for the refund amount that was originally requested of the contract.

There are risks from vendor inadequacy, quality of goods, or services and delivery, warranty assurances, user support, etc. The ED shall scrutinize each situation, purchase choice, and attempt to make intelligent and responsible choices. Some monetary risks may be avoided by using known previously reliable vendors.

Disposition instructions from the awarding agency will be requested if required by the terms and condition of the award.

Equipment items with a FMV of \$5,000 or less will be retained, sold, or otherwise disposed of with no further obligation of the awarding agency.

#### **b. Procedures for Determining Allowable Costs**

All costs incurred shall be reviewed monthly by the PGM to determine that the cost is an allowable cost under the award. All costs must:

- Be necessary and reasonable
- Be consistent with policies and procedures that apply to award
- Be consistent
- Be adequately documented
- 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

For an outline of allowable cost restrictions, see Appendix 1.

#### **c. Travel**

**Reimbursement** - Employees will be reimbursed for expenses incurred on behalf of ACEDC or in fulfilling the requirements of their positions. Employees who must use their personal automobiles in the conduct of their duties will be reimbursed for such costs as tolls and parking fees and mileage, reimbursable at the IRS standard mileage rate set annually as of January 1st. Mileage is computed between the destination and ACEDC office or employee residence if leaving from the residence, whichever is less. The policy of

reimbursing between the destination and ACEDC or employee residence if leaving from the residence, whichever is less, applies to all trips conducted weekdays, weekends, and evenings. Commute miles are not reimbursable.

Reimbursement will be limited to the cost of travel by a direct route or on an uninterrupted basis. Employees will be responsible for any additional costs. ACEDC will not pay for excess costs resulting from circuitous routes, delays, or luxury accommodations or services unnecessary or unjustified in the performance of official business.

Costs for travel, meals, and/or lodging expenses incurred by an employee on ACEDC business out of the region must have prior approval of the ED.

The reimbursement shall be allocated as a cost to a grant award if the travel pertains to the award

**Submitting Travel and Expense Sheets** -Expense sheets, on a form and in a manner prescribed by the ED, are to be kept by each employee and must be submitted to the ED for approval before submittal to the AF for reimbursement. Reimbursement will be included in paycheck for the next occurring pay period. Original receipts for all expenses other than mileage must be submitted with the expense sheets.

**Overnight Travel** -Employees must estimate costs ahead of time to identify the least cost solution to travel, particularly for multi-day events. Hotel stays are limited to situations where the combined costs justify an overnight stay and are at the discretion of, and with the approval of, the ED. Employees must exercise the same care incurring expenses that a prudent person would exercise if traveling on personal business.

**Airlines** - All air-travel is to be via coach-class. If a carrier denies a confirmed reserved seat on a plane or an employee is compensated for voluntarily vacating their reserved seat, the employee must remit any payment you receive for liquidated damages to ACEDC.

### **3. Subrecipient Monitoring and Management:**

ACEDC shall determine whether the recipient of sub-agreements or sub-awards are a “contractor” or “subrecipient” for the disbursement of Grant Funds. In making such a determination, ACEDC will utilize the definitions contained in §200.23 Contractor and §200.93 Subrecipient, along with the guidance found in §200.330. Generally, “subrecipients” are instrumental in implementing the applicable work program whereas a “contractor” provides goods and services for ACEDC’s own use. Contractors will be subject to ACEDC’s Procurement Policies. Subrecipients are subject to ACEDC’s Subrecipient Monitoring and Management Policies.

In its administration of Federal funds, ACEDC will monitor any subrecipients in accordance with 2 CFR §200.330 to §200.332 Subrecipient Monitoring and Management.

ACEDC is considered a "pass-through entity" in relation to its subrecipients, and as such requires that its consultants and subrecipients comply with applicable terms and conditions (pass-thru provisions). All subrecipients of Federal or State funds received through ACEDC are subject to the same Federal and State statutes, regulations, and award terms and conditions as ACEDC.

**a. Subaward Contents and Communication:**

In the execution of every subaward, ACEDC will communicate the following information to the subrecipient and include the same information in the subaward agreement.

Every subaward will be clearly identified and include the following Federal/State award identification:

- Subrecipient name
- Subrecipient's unique ID number (UEI)
- Award ID Number (FAIN)
- Award date
- Period of performance start and end date
- Amount of funds obligated
- Amount of funds obligated to the subrecipient
- Total amount of award
- Total approved cost sharing or match required where applicable
- Project description
- Name of awarding agency, pass-through entity, and contact information
- CFDA number and name
- Identification of the award if R&D
- Indirect cost rate for the award

Every subaward shall also include the following:

- Requirements imposed by ACEDC, including statutes, regulations, and the terms and conditions of the award.
- Any additional requirements ACEDC deems necessary for financial or performance reporting of subrecipients, as necessary.
- An approved indirect cost rate negotiated between subrecipient and the Federal government or between the pass-through entity and subrecipient.
- Requirements that ACEDC and its auditors have access to the subrecipient records and financial statements.
- Terms and conditions for closeout of the subaward.

**b. Subrecipient Monitoring Procedures:**

ACEDC's PGM is responsible for subrecipient monitoring under the supervision of the ED. ACEDC will monitor the activities of the subrecipient to ensure the subaward is used for authorized purposes. The



frequency of monitoring review will be specified in the subaward and conducted concurrently with all invoice submissions.

Subrecipient monitoring procedures include:

- At the time of proposal, assess the potential of the subrecipient for programmatic, financial, and administrative suitability.
- Evaluate each subrecipient's risk of noncompliance prior to executing a subaward. In doing so, ACEDC will assess the subrecipient's:
  - Prior experience with the same or similar subawards.
  - Results of previous audits and single audits (if applicable).
  - New personnel or new or substantially changed systems.
  - The extent and results of Federal awarding agency monitoring.
- Confirm the statement of work and review any non-standard terms and conditions of the subaward during the negotiation process.
- Monitor financial and programmatic progress and ability of the subrecipient to meet objectives of the subaward. To facilitate this review, subrecipients are required to submit sufficient invoice detail and a progress report. Subrecipients will be required to submit invoices on a prescribed schedule.
- Invoices and progress reports shall be submitted electronically.
- In conducting regular oversight and monitoring, GPM shall:
  - Review invoices for accuracy and completeness and ensure backup documentation is complete.
  - Review progress reports to ensure project is progressing appropriately and on schedule.
  - Compare invoices to agreement budget to ensure eligibility of costs and that costs do not exceed budget.
  - Review invoice to ensure supporting documentation is included and invoiced costs are within the scope of work for the projects being invoiced.
  - Obtain report, certification, and supporting documentation of allowed in-kind match work from the subrecipient.
  - Review subrecipient match tasks for eligibility.
  - Raise any concerns to the ED.
- All invoices will be submitted to the ED for approval, and subsequent submittal to the AF for payment.
- Payments will be withheld from subrecipients for the following reasons:
  - Insufficient detail to support the costs billed;

- Unallowable costs;
  - Ineligible costs; and/or
  - Incomplete work or work not completed in accordance with required specifications.
- ACEDC shall verify every subrecipient is audited in accordance with 2 CFR §200 Subpart F – Audit Requirements.

Subrecipient project files will contain, at a minimum, the following:

- Project proposal
- Project scope
- Progress reports
- Interim and final products
- All invoices, backup documentation of expenditures and in-kind work, and evidence of payment by ACEDC (i.e. ACH transaction)
- Copies of other applicable project documents as required, such as copies of contracts or MOUs.

**c. Audit Requirements:**

All subrecipients are required to annually submit their audit and Single Audit report to ACEDC for review to ensure the subrecipient has complied with good accounting practices and federal regulations. If a deficiency is identified, ACEDC will:

- Issue a management decision on audit findings pertaining to the award.
- Consider whether the results of audits or reviews indicate conditions that necessitate adjustments to pass through entity's own records.

**d. Methodology for Resolving Findings:**

ACEDC will work with subrecipients to resolve any findings and deficiencies. To do so, ACEDC may follow up on deficiencies identified through on-site reviews, provision of basic technical assistance, and other means of assistance as appropriate.

ACEDC will only consider taking enforcement action against non-compliant subrecipients in accordance with 2 CFR 200.338 when noncompliance cannot be remedied. Enforcement may include taking any of the following actions as appropriate:

- Temporarily withhold cash payments pending correction of the deficiency
- Disallow all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the subaward.
- Initiate suspension or debarment proceedings.
- Withhold further Federal awards for the project or program.
- Take other remedies that may be legally available.

#### **4. Procurement Policies:**

The following Procurement Policies shall apply to all contracts for and purchases of goods and services.

All procurements made with Federal funds will be consistent with 2 CFR §200.317 through §200.326 Procurement Standards. These policies are to ensure that goods and services are procured at the best available price consistent with high quality, that sound business and ethical practices are adhered to in all ACEDC business transactions, and that all transactions are completed in a manner that provides for open and free competition.

The ED has primary responsibility and oversight for purchasing activities of ACEDC and has the authority to delegate purchasing responsibilities, as appropriate. The ED will periodically review and evaluate these procedures to ensure the best internal controls possible. All purchases shall comply with appropriate and relevant federal, state, and local laws as well as with ACEDC's policies. If federal, state, or local laws, regulations, grants, or requirements are more restrictive than this policy, such laws, regulations, grants, or requirements shall be followed.

##### **a. Procurement Standards:**

To ensure open and free competition:

- Unreasonable requirements shall not be placed on firms and/or individuals for them to qualify to do business.
- No geographical preferences shall be used in the evaluation of bids or proposals unless State/Federal statutes expressly mandate or encourage a geographic preference.
- Contract specifications or statements of work may not unduly restrict competition and must identify the requirements that proposing firms or individuals must fulfill and the factors to be used in evaluating bids or proposals.
- Splitting purchases or contracts to avoid competition is prohibited.

Purchase Types and Proposal Evaluation Requirements:

- Micro Purchase (under \$10,000): competition is not required; however, a good faith effort should be made to compare prices with comparable suppliers.
- Small Purchase (\$10,001-\$250,000): competition is required to establish a competitive price. Preferably, price or rate quotes from at least three qualified sources must be documented. If three price or rate quotes are not possible, documentation will reflect the attempts. For recurring expenses, price or rate quotes may be obtained and documented every two to three years. This can be through a formal RFP process or requesting quotes from potential vendors. When a competitive proposal method is not feasible for a small purchase, a sole source purchase may be

made. This would require the item or service to only be available from a single source, an emergency situation that does not allow additional time for a competitive process, the granting agency authorizes noncompetitive negotiations, or competition is deemed inadequate after solicitation of a number of sources.

- Competitive Proposals (all purchases over \$250,000): competitive proposals are required through a sealed bid process. All qualified sources must submit formal written bids, proposals, or qualifications. RFPs or RFQs may be used. If only one proposal is received, the procurement may qualify as a single source and would require review by the ED. Documentation must include:
  - Formal written bids, proposals, or qualifications from all qualified sources.
  - The method of procurement.
  - The evaluation and selection process.
  - The basis for the contract price.
  - Final labor overhead rates.

#### Requirements for Requests for Proposals/Qualifications

- Request for Proposals (RFP) are used when the specific requirements and/or technical specifications of a project are unclear and criteria in addition to pricing are needed. The proposal is a solution which typically includes a scope of project and/or service, approach, technical capabilities, financial information, and references.
- Request for Qualifications (RFQ) are used to evaluate the qualifications of firms and/or consultants to determine which are most qualified to provide the service needed. RFQs are evaluated on technical factors and qualifications including education, experience, management, and other applicable criteria. RFQs may be used in conjunction with RFPs.
- The following requirements apply to RFPs and RFQs:
  - All RFP/Qs must be reviewed and approved by the ED before being issued.
  - The RFP/Q must be publicized and identify the evaluation factors and their relative importance, and state that all complete and timely submittals will be considered.
  - All RFP responses must contain cost or price estimates.
  - The primary selection criterion will be the ability of the firm/consultant to understand the issues and accomplish the tasks described in the RFP/Q.
  - For RFPs, the proposal most advantageous to the program will be selected, even when the preferred proposal is not the lowest priced; and
  - For RFQs, competitors' qualifications will be evaluated, and the most qualified competitor will be selected, subject to negotiation of fair and reasonable compensation.

**b. Procurement Process:**

1. Determine the applicable purchase type and requirements based upon the anticipated total cost. Costs shall not be divided to create a lower total cost to avoid a procurement method or competition requirements. If one item being purchased requires another item to be complete or make a whole, the total cost of the two items together should be considered to determine the procurement method, unless the two items cannot be acquired from a single supplier. Total quantity, taxes, freight, and installation costs, as well as the total costs expected for all phases of a multi-phase project are to be included when estimating the anticipated total costs.
2. Complete and document all requirements for the applicable purchase type.
3. Have materials reviewed and approved by the ED. No payments may be made prior to receipt of goods or services unless approval is obtained from the ED.
4. After steps 1-3 are complete, purchase or execute the contract for the goods and/or services.
5. Promptly submit all commitment documentation to the ED.

**5. Contracts:**

Contracts funded directly under State/Federal grants shall adhere to State/Federal statutory and regulatory requirements. The ED shall sign all contracts and contract amendments. Documentation in the contract file must include:

- The method of purchase or procurement.
- The evaluation and selection process.
- The basis for the contract price.
- Final labor and overhead rates.

Regarding contract texts, all contracts shall include:

- Termination clause for cause or convenience if over \$10,000
- Remedies for breach of contract if over \$50,000
- Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) certification for contracts exceeding \$100,000
- Legal counsel review may be required for contracts not using ACEDC boiler plate contract template.

All Contracts over \$10,000 require an RFP or RFQ. The RFP/Q must be publicized and identify the evaluation factors and their relative importance. All RFP/Qs must contain cost or price estimates. Proposals or qualifications must be solicited from at least three qualified sources. For RFQs specifically, competitors' qualifications will be evaluated, and the most qualified competitor will be selected, subject to negotiation of fair and reasonable compensation.

A contract will not be executed with parties listed on the government-wide exclusions in the System for Award Management (SAM). Additionally, contractors will be required to submit annual audits to ACEDC to ensure the contractor has complied with good accounting practices and federal regulations.

**a. Protest Procedure:**

Unsuccessful proposers will be afforded the opportunity of a debriefing conference if they so request. The request for a debriefing conference must be made within three days of receipt of the notification indicating that their proposal was not selected. Discussions will be informal and limited to a critique of the requesting consultant's proposal. ACEDC representatives will explain the scoring of a consultant's proposal. Debriefings may be conducted in-person, virtually, or by telephone and may be limited to a specific period.

Records of the RFP/Q solicitation, evaluation, scoring, and selection process shall be kept on file for the life of the project.

**b. Contract Oversight:**

The PGM shall be responsible for day-to-day contract administration and will report any aberrations to the ED.

PGM will ensure that contractors meet their responsibilities by making certain that contractors:

- Know and understand applicable federal requirements.
- Have adequate project delivery systems.
- Have sufficient accounting controls to manage Grant Funds properly.

ACEDC will provide ample monitoring of the contract's administrative actions to ensure compliance with Federal and/or agreement requirements.

If a contractor is unable to satisfactorily complete the work, and after unsuccessful attempts to remedy the situation, a contract may be terminated. ACEDC will reimburse the contractor for all costs incurred, but not those in excess of the contract, in the performance of the project up to and including the effective date of termination.

**c. Conflicts of Interest:**

Refer to ACEDC's Conflict of Interest Policy for greater detail, but as it pertains to projects funded with State/Federal funding, no employee, Trustee, or agent of ACEDC shall participate in the selection, award or administration of a contract or authorization of a purchase if a conflict of interest, real or perceived, would be involved.

Such a conflict could arise when the employee, trustee, or agent, any member of his or her immediate family, his or her partner, and/or an organization which employs or is about to employ any of the above has:

- a financial or other interest in the firm selected for award;
- directly or indirectly given his/her opinion on the matter, and/or
- has formed an opinion on the matter or has prejudged the matter to any degree.

**APPENDIX A: ALLOWABLE/NOT ALLOWABLE COSTS**

<b><i>Selected Cost Item</i></b>	<b><i>Uniform Guidance General Reference</i></b>	<b><i>Allowable/Unallowable</i></b>
Advertising and public relations costs	§200.421	Allowable with restrictions
Advisory councils	§200.422	Allowable with restrictions
Alcoholic beverages	§200.423	Unallowable
Audit services	§200.425	Allowable with restrictions
Compensation – fringe benefits	§200.431	Allowable with restrictions
Conferences	§200.432	Allowable with restrictions
Depreciation	§200.436	Allowable with qualifications



<b><i>Selected Cost Item</i></b>	<b><i>Uniform Guidance General Reference</i></b>	<b><i>Allowable/Unallowable</i></b>
Employee health and welfare costs	§200.437	Allowable with restrictions
Entertainment costs	§200.438	Unallowable with exceptions
Equipment and other capital expenditures	§200.439	based on specific requirements
Fines, penalties, damages, and other settlements	§200.441	Unallowable with exception
Gains and losses on disposition of depreciable assets	§200.443	Allowable with restrictions
Goods or services for personal use	§200.445	Unallowable (goods/services); allowable (housing) with restrictions
Insurance and indemnification	§200.447	Allowable with restrictions
Interest	§200.449	Allowable with restrictions
Lobbying	§200.450	Unallowable
Losses on other awards or contracts	§200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	§200.452	Allowable with restrictions
Materials and supplies costs, including computing devices	§200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	§200.454	Allowable with restrictions; unallowable for lobbying organizations.
Organization costs	§200.455	Unallowable except Federal prior approval
Plant and security costs	§200.457	Allowable; capital expenditures are subject to §200.439
Professional service costs	§200.459	Allowable with restrictions
Proposal costs	§200.460	Allowable with restrictions
Publication and printing costs	§200.461	Allowable with restrictions
Recruiting costs	§200.463	Allowable with restrictions

Rental costs of real property and equipment	\$200.465	Allowable with restrictions
Selling and marketing costs	\$200.467	Unallowable with exceptions
Training and education costs	\$200.472	Allowable for employee development
Transportation costs	\$200.473	Allowable with restrictions
Travel costs	\$200.474	Allowable with restrictions

**Draft 1: July 12, 2022**

**Executive Committee Review: July 13, 2022**

**Board Review : , 2022**

**Board Approval , 2022**

**Effective Date: xxx, 2022**