



Administrative Services

Business Procedures Manual

2024

Table of Contents

Section 1	General Information	1
Section 2	Internal Controls	2
Section 3	Financial Policies	7
Section 4	General Accounting Procedures	14
Section 5	Cash & Banking Procedures	20
Section 6	Investments	26
Section 7	Accounts Receivable	31
Section 8	Capital Assets	35
Section 9	Accounts Payable	40
Section 10	Travel & Professional Development	45
Section 11	Grant Monitoring & Reporting	47
Section 12	Payroll & Benefits	54
Section 13	Budget Development & Controls	59
Section 14	Purchasing	63

List of Tables

Table 1	Approvals & Point of Contact	94
Table 2	Record of Changes	95
Table 3	Referenced Documents	96

By clicking **Exhibit**, you will return to your previous section in the document.

By clicking **Business Procedures Manual**, it will take you to the Table of Contents.

1. General Information

The **Business Procedures Manual** is a consolidation of updated guidelines designed to provide a comprehensive presentation of standardized procedures that are mandated by state and federal law, Board policy, administrative directives and/or good business practices.

Collin County Community College District, the district, has established fiscal procedures that apply to all financial transactions regardless of the funding source. A separate section in the Business Procedures Manual will include specific procedures related to acquiring, expending, and managing grant funds.

Conformation with these guidelines will allow prompt and accurate conducting of the district's business affairs in a responsive and progressive manner.

Should there be questions or if additional information is required concerning these procedures, contact Administrative Services at (972)-758-3820.

Purpose of Manual

The purpose of the Business Procedures Manual is to provide appropriate guidelines to ensure all financial transactions meet Generally Accepted Accounting Principles (GAAP), state and federal laws and regulations.

Responsibilities

Administrative Services is responsible for ensuring all financial accounting processes are reported accurately and timely in accordance with Generally Accepted Accounting Principles (GAAP), state and federal laws and regulations.

District Policies

Policies can be found through this link: <https://pol.tasb.org/PolicyOnline?key=304>

2. Internal Controls

The District's internal controls include policies and procedures, which are designed to:

- Safeguard assets from accidental loss or loss from fraud.
- Ensure the reliability and integrity of financial information-internal controls ensure that management has accurate, timely, and complete information, including accounting records, in order to plan, monitor and report business operations.
- Promote operational efficiency and effectiveness.
- Ensure adherence and compliance with federal, state, and local laws and regulations affecting the operations of our business. to prescribed policies and regulations.
- Accomplishment of goals and objectives – Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

The Business Administrative Services employees are responsible for conducting daily activities in a manner that complies with established internal controls. Chief Financial Officer and other Business Services administrative staff are responsible for maintaining an adequate system of internal control. Management is responsible for communicating the expectations and duties of staff as part of the control environment and making recommendations for improvements.

Specific internal control procedures are described throughout this Manual for various areas and processes. This section contains a general overview of the District's approach to establishing effective internal controls.

2.1 Framework for Internal Controls

The framework of a good internal control system includes:

- **Control environment:** A sound control environment is created by management through communication, attitude and example. This includes a focus on integrity, a commitment to investigating discrepancies, diligence in designing systems and assigning responsibilities.
- **Monitoring and Reviewing:** The system of internal control should be periodically reviewed by management. By performing a periodic assessment, management assures that internal control activities have not become obsolete or lost due to turnover or other factors. They should also be enhanced to remain sufficient for the current state of risks.
- **Information and communication:** The availability of information and a clear and evident plan for communicating responsibilities and expectations is paramount to a good internal control system.
- **Control activities:** These are activities that occur within an internal control system.

2.2 General Business Conduct and Disclosure

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. Each employee must apply his/her own sense of personal ethics, which should extend beyond compliance with the District's procedures, to govern behavior where no existing procedure provides a guideline. It is the employee's responsibility to apply common sense in business decisions where specific procedures do not provide all the answers, and a solution cannot be obtained from a supervisor or Business Administrative Services.

In determining compliance with District procedure in specific situations, an employee needs to ask the following questions:

- Is my action legal?
- Is my action ethical?
- Does my action comply with the District procedure?
- Does my action appear appropriate?
- Am I sure I would not be embarrassed or compromised if my action became known within the District or publicly?
- Am I sure my action meets my personal code of ethics and behavior?
- As part of the District's core values, am I acting with integrity?
- An employee should be able to answer "yes" to all these questions before acting.

2.3 Types of internal controls

2.3.1 Preventive Controls

Preventive controls aim to decrease the chance of errors and fraud before they occur, and often revolve around the concept of separation of duties.

Examples of preventive controls include:

- Separation of duties
- Pre-Approval of actions and transactions
- Documentation to support transactions
- Physical control over assets
- Data Security
- Employee screening and training

2.3.2 Detective Controls

Detective controls are designed to find errors or problems after the transaction has occurred. Detective controls are essential because they provide evidence that preventive controls are operating as intended, as well as offer an after-the-fact change to detect regularities.

Examples of detective controls include:

- Monthly reconciliations

- Budget to actual analysis for unexpected differences
- Physical inventories

2.4 Responsibility to Safeguard Assets

Assets include all property of the District. Examples of assets are buildings, equipment, accounts receivable, and cash (including checks). Extreme care must be exercised in safeguarding cash and items easily convertible to cash, such as electronics. Appropriate physical and procedural safeguards must be in place to protect all assets. For example, cash must be secured in a locked drawer/safe and access limited to designated personnel. Physical inventory should be taken periodically to account for controlled assets.

Any observed weaknesses in internal control should be brought to the attention of the Chief Financial Officer immediately.

2.5 Responsibility to Verify the Accuracy & Reliability of Financial Data

The District's Financial Accounting System allows a Cost Center Manager to have real-time access to their department's financial information. A Cost Center Manager may access data directly through Workday. Each Cost Center Manager is responsible for verifying the accuracy of charges to his/her cost center. Any errors should be relayed to Business Administrative Services with appropriate documentation.

The reliability of the monthly reports depends on the timely recording of all transactions with appropriate documentation. Management reviews of transaction, operating and summary reports help to monitor performance against goals and objectives, spot problems, identify trends, etc. Specific examples include: Monthly review of budget statements to actual expenses. Review of expense reports for personal or non-business-related transactions. Review of time input and overtime hours by employees.

2.6 Responsibility to Reconcile Financial Data

Business Administrative Services staff are responsible for ensuring each assigned asset or liability account is reconciled each month promptly. Every attempt is made to assign account reconciliations to staff members, so proper segregation of duties is maintained. It is the responsibility of each staff member to investigate and promptly resolve discrepancies. Business Administrative Services management will review and approve all account reconciliations. In addition to reconciling balance sheet accounts, a financial analysis, review and investigation of variances in budget to actual should occur for expenses and revenues.

2.7 Segregation of Duties

Segregation of duties is critical to effective internal controls. Segregation of duties reduces the risk of errors and inappropriate actions. No one employee should:

- Initiate a transaction
- Approve a transaction
- Record a transaction

- Reconcile balances
- Handle assets
- Review reports

Business Administrative Services (Accounting, Accounts Payable, Bursar, Payroll) job responsibilities have been established to ensure that the approval function, the accounting/reconciling function, and the asset custody function are separated among employees. If these functions cannot be separated, then a supervisory review is required as a compensating control. Access to specific functions and screens in the Workday financial system has been granted based on job roles to provide segregation of duties. Access to Workday and specific functions and screens is reviewed periodically by the IT Programmer Specialist dedicated to managing Workday security for the District. Specific examples of segregation of duties at the District include:

- An employee who initiates a requisition cannot approve the requisition
- An employee who enters a journal entry cannot approve his/her own journal entries
- Invoice payments to suppliers is made after a three-way match of the purchase order, receipt, and supplier invoice.
- Invoice payments made to suppliers from a supplier invoice request cannot be approved by the originator and must have proper documentation
- New Supplier set ups, and revisions are managed by the Procurement Department, independent of Accounts Payable.
- All bank accounts are reconciled by an accountant who does not initiate or approve transactions that involve cash

2.8 Exception to Control Procedures

The value of all internal controls is based upon their economic utility, practicability, and protection of assets. Where the cost of protection would far outweigh possible losses or proposed controls would cause gross inefficiency, the Chief Financial Officer may decide certain controls are not feasible, and another alternative may be more advisable.

2.9 Internal Control Reviews

Responsibility does not end with the implementation of control procedures initially considered necessary. The system of internal controls must be continually reviewed by administrators and supervisors at all levels to determine:

- Prescribed procedures are being interpreted properly and are being carried out.
- Changes in operating conditions have not made the procedures cumbersome, obsolete, or inadequate.
- Corrective measures are taken promptly when system breakdowns appear.

2.10 Internal Audit

The District has an Internal Audit Department which performs reviews of District Organizations and procedures. Internal Audit provides input on improving the efficiency and effectiveness of the District's current procedures and internal controls.

An audit plan is developed during the fourth quarter of each fiscal year for the upcoming year and is presented to the Finance and Audit Committee and the Board of Trustees for formal approval.

2.11 External Audit

The District has an annual financial and financial aid audit conducted by an independent audit firm. The Chief Financial Officer serves as the liaison with the external auditors and coordinates the external audit activities. The external auditor submits a management letter to the District Board of Trustees annually, outlining any material weaknesses in internal controls, if found. Copies of all audit reports are available on the District website.

The District also has audits by various Federal and State agencies that provide funding to the District.

2.12 Workday ERP (Enterprise Resource Planning) Software System

The District utilizes Workday cloud-based solutions for HCM (Human Capital Management) and Financial Management; the Student Finance/Financial Aid will also be implemented. Workday includes a business process framework with configurable business process steps and configurable security and roles, including integrated controls. Workday provides complete data audit trails by capturing all steps made in a business process and changes made to system data, including the user who made the changes.

3. Financial Policies

3.1 Fund Accounting

In order to ensure the observance of limitations and restrictions placed on the use of the available resources, the District accounts for financial activities through the use of fund accounting. Under fund accounting, revenues and expenses are grouped into similar categories based on the source of funding and restrictions on expenses. Each fund is self-balancing and segregated from the other funds. The various funds can then be broken down into various classifications or types. Various transfers can occur between each of the funds. The transfers are considered mandatory if an external party requires the transfer and non-mandatory if the transfer is at the discretion of the District.

3.1.1 Current Funds

Current Funds include those resources of the District which are expendable for the general operations of the District and may or may not be restricted by external sources or designated by the Board for other operating purposes.

3.1.2 Unrestricted Current Funds

Unrestricted Current Funds are funds available for operations that have no externally imposed limitations or restrictions on their usage and are not utilized for plant purpose. Any unrestricted funds designated to noncurrent sources are transferred to their respective fund as mandatory or non-mandatory transfers.

- Debt Stabilization Fund: fund established with transfers from current unrestricted fund to help fund operations during construction of new campuses and to provide resources for bond debt repayment
- Student Activity Fee Advisory: fund that tracks per credit hour student activity fee charged to students
- Designated Fund: Board designated funds, and internally designated funds used for Innovation grants

3.1.3 Auxiliary Funds

Auxiliary Funds are funds generated by providing a service to students. The auxiliary fund consists of programs other than instruction for which a fee is charged. The District's auxiliary enterprises include the following major categories: intercollegiate athletics, food and catering services, bookstore commission, facilities rental, student housing, cell tower leasing and the print shop.

3.1.4 Restricted Current Funds

Restricted Current Funds are those funds available for operations, but which are limited by donors or other external agencies to specific purposes or programs, usually referred to as grants.

- Grants and Contracts: funding can be federal, state, or private sources
- Cost Share: the matching portion, if applicable, required by the grant that is provided by the District

- Loan and Other Restricted Fund: private loans and institutional funds set aside and paid as financial aid to students, as required by state statute

3.1.5 Building Fund

Building Fund utilized to record expenses for major acquisitions, large construction projects, and renewal and replacement projects. Funds established with transfers current unrestricted fund transferred.

3.1.6 Bond Fund

Proceeds from the sale of general obligation bonds are held and expended in the bond fund. Once expended, capitalized expenses are transferred to Investment in Plant Fund.

3.1.7 Debt Service Fund

The Debt Service Fund accounts for all long-term debt activities. Examples of these types of expenses include principle, interest, and miscellaneous expenses associated with general obligation and revenue bonds, as well as any lease liabilities. General obligation bonds are defined as bonds in which the full faith and credit of the District are pledged. Revenue bonds designate a revenue stream as the payment source for the bonds.

3.1.8 Agency Funds

The Agency Funds account is utilized to account for the resources held by the District as custodian or fiscal agent for other individuals, such as student organizations and clubs, camps. These funds are represented as a liability on the District's Statement of Net Position, namely, Funds held for others.

3.1.9 Investment in Plant Fund

The investment in plant fund consists of total capital assets, less any associated debt connected to the capital assets. Depreciation expense is recorded to the investment in plant fund.

3.2 Reporting Guidelines

The significant accounting policies followed by the District in preparing financial statements are in accordance with the Texas Higher Education Coordinating Board's (THECB) Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges. The District is a special-purpose government engaged solely in business-type activity (BTA). Adhering to Government Accounting Standards Board (GASB) Statements 34 and 35, the Annual Comprehensive Financial Report combines all fund groups into a single column.

3.3 Tuition Discounting

3.3.1 Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. These funds called the Texas Public Education Grant (TPEG), are shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as tuition, and a

corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount disbursed is recorded as scholarship expense

3.3.2 Title IV Higher Education Authority (HEA) Program Funds

Certain Title IV HEA Program funds (Pell grants and FSEOG) are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

3.3.3 Other Tuition Discounts

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue, and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as scholarship expense.

3.4 Basis of Accounting

The financial statements of the District are reported using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned, and all expenses are recorded when the liability is incurred, and they have been reduced to a legal or contractual obligation to pay.

3.5 Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, which is prepared on an accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board (THECB), Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1. Board policy requires the District to maintain a minimum fund balance equal to 25% of educational expenses adjusted for reserves and allocations

3.6 Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District also considers funds on deposit with TexPool, TexSTAR, and TexasTerm, which are both statewide investment pools, as cash and cash equivalents.

3.7 Investments

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase. Long-term investments include investments with original maturities of greater than one year at the time of purchase. The District intends to hold these investments until maturity.

3.8 Capital Assets

The District records capital assets at cost (except for intangible right-to-use lease assets) at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of acquisition. The District's capitalization policy includes all assets with a purchase cost of \$5,000 or more and an estimated useful life in excess of one year. Intangible assets follow the same capitalization policy as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of ten percent. Depreciation on assets and right-to-use leased assets other than buildings and site improvements is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention and no residual value. Expenses for construction/work in progress are capitalized as incurred, but are not depreciable until assets are put into service.

The District reports capital assets net of accumulated depreciation. The following lives are used:

Buildings	50 years
Land Improvements	20 years
Library books	15 years
Furniture, Equipment, and Vehicles	10 years
IT Equipment and Software	5 years
Right-to-use Leased Asset	4-6 years

3.9 Unearned Revenues

Unearned revenues primarily consist of tuition and fees related to academic terms in the next fiscal year. Unearned revenues related to grant funds pertain to funds received, but not yet expended.

3.10 Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions affecting certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3.11 Operating and Non-Operating Revenue and Expense

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a business-type activity (BTA) and as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees, auxiliary enterprises, and federal grants and contracts, excluding Title IV financial aid programs. The major non-operating revenues consist of state appropriations, property tax collections, federal grant revenue related to Title IV financial aid programs and, investment income.

Operating expenses include providing educational services, administrative expenses, and depreciation on capital assets. Non-operating expenses consist of interest on the capital-related debt.

3.12 Compensated Absences

Vacation is earned in varying amounts up to a maximum of 21 days for employees with 11 years or more of service. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10-day maximum allowed for unused vacation carried over from the prior year.

District employees are entitled to sick leave, which is accumulated but does not vest. Therefore, no liability for accumulated sick leave is recorded in the financial statements.

3.13 Income Tax Status

The District is exempt from income taxes under Internal Revenue Code Section 115 (Income of States, Municipalities, etc.). However, unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B) (Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations).

3.14 Contract and Grant Awards

Contract and grant awards are accounted for in accordance with generally accepted accounting principles. Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenses made under the provisions of the grant.

Accordingly, when such funds are received in advance, they are recorded as unearned revenue until earned. Contract and grant awards not yet funded and for which the District has not yet performed services are not included in the basic financial statements.

3.15 Board Designations

The District includes in unrestricted net assets certain amounts set aside by the Board. The Board has set aside funds for the following purposes:

- Funds to provide for operations and maintenance costs are budgeted yearly, but a designated amount is set aside in case of decreased property values
- Funds for insurance deductibles in the event of a catastrophic loss
- Funds for a health insurance reserve to cover the decrease in state funding for employee health insurance

3.16 In Kind Donations

Collin College encourages the solicitation and acceptance of tangible property to support College educational programs. Collin College will accept gifts of property for specific programs and purposes consistent with the College's mission, purposes, and priorities. Final acceptance or refusal decisions on gifts of property will be made by applicable departmental or executive leadership.

3.16.1 Gift Procession

Tangible property gifts, also referred to as in-kind gifts, will be processed through a Gifts In-Kind form, which requires the initiator to complete the form along with the assistance of the donor. After obtaining the signature of both the donor and the approving Dean/AVP, the form is submitted to Business Administrative Services for processing and acknowledgement of receipt. Any capital assets (value greater than \$5,000) will be recorded in the General Ledger. A Gifts In-Kind Thank You Letter will be provided to the donor. Business Administrative Services will provide a listing of the gifts-in-kind received each month to the President for presentation to the Board in accordance with College policy.

Exhibit 3.16.A Gift In-Kind

Exhibit 3.16.B Gifts In-Kind Thank You Letter

3.17 Leases

3.17.1 Lessee

The District is a lessee for a noncancelable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

3.17.2 Lessor

The District is a lessor related to third parties for cell tower usage. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

3.18 Pensions

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

3.19 Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities, and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit plan.

3.20 Supplemental Tax-Sheltered Retirement Plan

Full time, benefits-eligible employees may elect to participate in a College District-sponsored supplemental tax-sheltered retirement plan that includes a dollar-for-dollar match of an employee's contributions to an individual tax-sheltered retirement account, up to a maximum of three percent of the employee's full-time salary.

3.21 Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows of resources in circumstances specifically authorized by the GASB. A typical deferred outflow of resources for community colleges is a deferred charge on refunding debt, pension and OPEB deferred outflows.

3.22 Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows of resources in circumstances specifically authorized by the GASB. In the government-wide financial statements the College reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

4. General Accounting

4.1 Accounting System Design

The District uses Workday Foundation Data Model (FDM) as the system of record for Finance, Payroll, and HR. The goal of the FDM is to architect key data elements across the Workday platform, including Finance, Human Resources, and Payroll, (and ultimately Student) in order to establish a foundation for Workday transaction processing and reporting. The FDM is a multidimensional structure that impacts all transactions, and provides a flexible way to define dimensions that are relevant to different areas of the District.

4.2 Chart of Accounts

Worktags are keywords or dimensions that you can assign to transactions and supporting data to make their business purposes clear and establish common relationships through classification. Driving Worktags provide the vehicle to allow other Worktags to default into a transaction. Some of the most common Worktags can be found below, but there are many others.

Worktag	Driving Worktag	Purpose	When Used	Default or Input
Fund	No	Represents the high-level source of funds for external financial reporting	Always required, typically defaults from driving worktag	Default
Cost Center	Yes	Identifies financial responsibility and management for business units	Required	Input
Grant	Yes	Identifies activities funded by an external party. Grant Worktags have defined start and end dates	Required	Input
Project	Yes	Project Worktag is used to identify a specific project that has a defined start and end date	Required for Capital Projects; library books	Input
Revenue/Spend Category	No	Provides a more granular view of the revenues earned or expenses incurred for transaction analysis.	Required for Revenue/Expense transactions	Input
Ledger Account	No	Detailed accounts for reporting and at level at which budget resides	Required	Determined based on account posting rules
Program	No	Captures functional expense categories required for financial reporting	Required, defaults from driving worktag	Default
Campus	No	Custom worktag, identifies what campus transaction belongs to	Required, defaults from driving worktag	Default
Division	No	Indicates the division for the cost center, used for reporting; mirrors cabinet level hierarchy	Required, defaults from driving worktag	Default
Transaction Detail	No	Required for certain transactions and is driven to ledger by the business process; e.g. assets	Special circumstances based on ledger require worktag to be activated; e.g. assets and/or prepaids	Input

4.3 Fund

The fund represents the high-level source of funds for external financial reporting and is required on all financial transactions. See ACN Fund for complete listing and hierarchy of funds.

Fund	Fund Name	Restriction
FD100	Unrestricted	Unrestricted
FD120	Designated	Unrestricted
FD125	Student Activity Fee Advisory Committee	Unrestricted
FD130	Debt Stabilization	Unrestricted
FD200	Grants & Contracts	Restricted
FD210	Cost Chare	Unrestricted
FD215	Loan and Other Restricted	Restricted
FD300	Auxiliary	Unrestricted
FD500	Building	Unrestricted
FD600	Bond	Restricted
FD700	Debt Service	Restricted
FD720	GASB Debt Service	Unrestricted
FD800	Agency	Unrestricted
FD900	Investment in Plant	Restricted
FD999	Balancing	Unrestricted

4.4 Cost Centers

Cost center is a driving Worktag and identifies financial responsibility and management for officially acknowledged business units (departments, academic units, etc.) A cost center is assigned to all expense and revenue transactions. Cost centers are ongoing concerns with no planned end date. Cost centers roll up to higher levels of oversight and eventually to a division.

The cost center assigned to another driving worktag, like a project or grant, should have a close affiliation with the other driving worktag. For example, an associated cost center with the nursing grant, would be the nursing cost center. See ACN Cost Center for a complete listing of Cost Centers.

4.5 Grants

Grant hierarchy is divided between federal, state, and private. All grants are attached to an award with a sponsor. The Sponsor is the granting agency. There could be many grants associated with one award, for example many grants are set up for Carl Perkins, based on the objective for that grant, but all Carl Perkins grants are tied to one award for the year. The award

contains the budget, billing information, start and end dates, subawards, if any, and other data pertinent to the award.

4.6 Campus

A default worktag for campus is built into the accounting stream structure to enable reports to be generated by campus. All financial transactions will contain a campus code. An ACN Campus report can be run, listing all campuses and the Campus ID numbers.

4.7 Division

A component part of the accounting stream is Division. Division is a classification based on the District Executive Leadership hierarchy. Division defaults on all expense and revenue transactions, with all driving Worktags tied to a division depending on reporting structure. See ACN Division for listing of all Divisions

4.8 Ledger Account

Ledger Account provides budget and actual accounting information for the general ledger. These are the natural accounts that make up the financial statements in Workday. Ledger Account represents a level of significance for budgeting and performing budget/actual analysis. Every Ledger Account is part of a hierarchy that rolls up to the Statement of Revenues, Expenses, and Changes in Net Position, or Statement of Net Position.

4.9 Ledger Account Types

Ledgers are assigned to a ledger account type which are components that make up the financial statements. These components consist of assets, liabilities, revenues, and expenses, among others. See ACN Ledger for a complete list.

4.10 Project

Most projects will accumulate costs related to an activity with an end date (capital projects, software implementations, etc.). It is expected that a project will have an inherent end date due to its more limited scope than a program. Project can be used to provide the units the flexibility to have the detail they need for reporting. See ACN Project for complete listing of projects.

4.11 Revenue Category

Revenue category provides a detailed view of the revenue earned for transaction analysis. Revenue category is connected to revenue category hierarchy, when established, with the hierarchy driving where the revenue will be reported. When using a Revenue Category, a ledger account will automatically be derived by configuring the account posting rule set.

4.12 Spend Category

A Spend Category is required on most financial transactions where goods or services are received and is used to provide a more granular view of the expenses incurred by the District than what is provided by the Ledger Account. Spend categories drive the accounting that connects the item or service to the appropriate ledger utilizing the account posting rule set. Creating a spend category requires it to be assigned to a spend category hierarchy. Other factors to consider when setting up a spend category include determining if the spend category is a 1099 category that needs to be included on a supplier's 1099, as well as determining how

the spend category will be utilized within Workday, i.e. procurement, expense, supplier invoice and/or ad hoc payment usage.

4.13 Business Process

A business process, or “BP”, is an automated workflow that routes tasks that people initiate, act upon and complete to achieve a desired business objective. Common tasks include to-dos, reviews, and approvals.

4.14 Roles

There are basic roles set up for all driving Worktags. All business processes preclude an initiator from approving his/her own transaction. Various roles and their access/duties may be found in the table below.

Role	Pertains to:	Duties
Analyst	Related cost center/grant/project	View Only
Specialist	Related cost center/grant/project	View & Initiator
Cost Center Manager	Related cost center	Initiator & Approver
Cost Center Manager 2	Related cost center	Initiator & Approver
Project Manager	Related project	Initiator & Approver
Project Manager 2	Related project	Initiator & Approver
Grant Manager	Related grant	Initiator & Approver
Principal Investigator	Related grant	Initiator & Approver
Award Contract manager	Related grant	Initiator & Approver

4.15 Approvals

Approvals are dependent upon the business process driving the transaction. Each transaction has a business process it follows for routing transactions through the system for approvals. Business processes exist for transactions from spend authorizations, expense reports to requisition creation. Typically, transactions resulting in funds being charged to a cost center must be approved by the cost center manager. Expenses related to an employee (e.g. Expense Reports) that are charged to a cost center will route through the employee’s supervisor before being routed to the cost center manager for approval. And finally, there are dollar thresholds that will trigger additional approvals for requisitions. Requisitions at the \$15,000 amount route to the cost center manager 2; requisitions greater than \$50,000 route to all previously named roles and then to the Division Manager.

4.16 Journal Entries and Feeds

Workday creates two distinct types of journals to process accounting:

- Operational journals are created automatically based on Workday's native accounting flow and associated posting rules. These are pre-set by Workday. Documents such as accounting adjustments, payroll, ad hoc bank transactions, customer and supplier invoices, expense reports are operational journals.
- Accounting Journals are created manually, via spreadsheet template (Enterprise Interface Builder (EIB)), or integration feed (student feed documents). Manual journals are examples of accounting journals. Accounting journals can be used for month end adjustments, asset and liability items and allocation of a cost across several cost centers, grants, or projects.

These two journal types are identifiable by viewing the Journal Source in Journal reporting.

4.17 Custom Validations

Custom validations are rules and tools created requiring initiators to input certain data in fields before allowing the initiator to submit the form for processing. If the required information and/or attachment is not provided, an error message will be triggered, preventing the form from being submitted. An example custom validation could be requiring an invoice # field to be completed for a supplier invoice, or requiring an attachment for each line in the expense report before the form is allowed to be submitted. In some cases, the custom validation may be a warning message only, which would not prevent the form from being submitted.

4.18 Account Posting Rules

Account Posting Rules instruct the system how to determine what ledger account to post the journals that result from an operational transaction. For example, all travel spend categories including per diem, registration, airfare, hotel, etc. are connected to the Travel Spend Categories hierarchy. And the travel spend categories are mapped to the travel ledger through the account posting rule. All spend and revenue categories are mapped to a ledger either directly or based on a hierarchy.

4.19 Account Reconciliations

Each balance sheet account should be reconciled monthly by the accounting staff to ensure postings are correct and adjustments have been properly processed. All differences and balances should be investigated and any issues resolved in a timely basis. An account will not be considered reconciled until all material differences and/or items contributing to the account balance are identified. Reconciliations will be completed by the end of the month (after month end closing) and reviewed and approved by the appropriate Director/Manager/AVP.

A master checklist is maintained by the accounting manager, and is generated by running a trial balance for the ledger Parent Balance Sheet for the most recent month end close. This report shows the beginning and ending account balances, and changes during the month for each balance sheet ledger. The accountant assigned to the ledger, due date, and reviewer are also indicated on the spreadsheet.

4.20 Month End Close

A month end close calendar is created and saved in the appropriate accounting folder prior to the beginning of the fiscal year. Ideally, month end close occurs by the 10th of the month, in time to prepare financials for the Monthly Board of Trustees agenda deadline. In preparation for month end close, the Workday Period Close process is kicked off by the Director of Accounting. Period Close process is a check list of To Do's that routes to the appropriate employee/department to complete. To do steps include, but are not limited to, create adjusting entries, start bank account reconciliation, create receipt accruals, etc. In addition, a monthly close checklist is utilized to ensure all monthly entries are prepared, entered, and approved before closing the period. The Director of Accounting or her designee tracks all the To Dos's, and monthly checklist. After all the steps have been completed, including running preliminary reports, the month is closed. A month may be reopened when necessary to post an entry.

4.21 Year End Close

Year-end close in Workday mirrors the month end close process, utilizing a Period Close checklist of To Do's. The check list is expanded to include year-end entries/ processes needing to be completed for the year. Additionally, a year-end checklist is maintained and utilized to ensure inclusion of all appropriate entries needed to finalize the year. All departments including grants, accounts payable, payroll, student receivables, fixed assets, are responsible for year-end processes and entries pertaining to their specific area. Ideally, year-end close is completed by the end of September.

5. Cash and Banking

The purpose of this section is to outline the procedures used by the District to maintain the financial integrity of the District and to limit the risk of mismanagement of cash and other monetary instruments. For the purpose of this document, cash includes cash, checks, credit cards and any other form of currency.

5.1 Segregation of Duties

The District will ensure, when feasible, segregation of duties for receiving, recording, depositing, disbursing, and reconciling cash. When staff size does not allow for proper segregation of duties between two or more employees, compensating internal controls will be developed.

5.2 Bank Accounts

The Chief Financial Officer (CFO) is responsible for the establishment, maintenance and closing of all District bank accounts. A District bank account may be used only for legitimate and allowable District related revenue and/or expenses. Student, faculty and staff organizations are not allowed to establish a bank account using the name of the District.

5.2.1 Authorized Signatures

The District's authorized signers include the Chairman of the Board of Trustees, District President, CFO, Associate Vice President/Controller, and Associate Vice President/Financial Services.

5.2.2 Bank Reconciliations

A reconciliation of all bank accounts is performed monthly by an employee independent of all cash receipting and disbursement functions. All bank reconciliations are reviewed and approved by the Director of Accounting.

5.2.3 JP Morgan Chase – ACCESS

The District uses ACCESS from JP Morgan Chase to monitor bank activity on a daily basis, void checks, review positive pay exceptions, view cancelled checks, view statements and reports, view ACH deposits and returns and initiate wire transfers. ACCESS users are entitled to read or write access to ACCESS functionality based on job need. The Associate Vice President/Controller, Associate Vice President/Financial Services and Director of Accounting are authorized to establish new ACCESS users and set entitlements. Dual authorization is required to establish a new user and entitlements.

5.2.4 Electronic Fund Transfers (Wire Transfer and ACH Transfers)

The District is authorized to receive and send EFTs. All EFT transfers are closely monitored using ACCESS and monthly reconciliations. Incoming EFTs include payments from federal, state and county agencies, credit card settlements and miscellaneous accounts receivable payments. Outgoing EFTs include direct deposit payroll and accounts payable payments to employees and students, payments to federal and state agencies and transfers between District bank accounts.

The District uses ACCESS to initiate all outgoing wire transfers. Access to initiate a wire transfer is limited to a select number of employees. The system is configured to not allow the initiator of the wire to also approve the wire. A second employee with appropriate entitlements must approve the wire.

5.2.5 Positive Pay

The District uses positive pay provided by the bank to prevent check fraud. The District has positive pay on the payroll disbursement account and controlled disbursement account. Positive pay requires the District to provide the bank with a file of all checks issued. The file contains the check number, payee name and check amount. The bank emails the District when a check not included in a positive pay file is presented for payment. The District has until 3:00 pm to instruct the bank to pay or decline the nonmatching item. If the District does not provide directions to the bank by 3:00 pm the item will be returned by default.

5.2.6 Bank Account Structure

The District currently uses JP Morgan Chase for banking services. The following accounts have been established:

- Master Account – This account functions as the main account of the District and receives all ZBA transfers from other accounts. This account is used to transfer funds to and from the Districts investment accounts. Disbursements from this account include bank fees, autopay of Collin purchase-card statement, and change order transactions requested for the Bursar.
- Payroll Account – All payroll activity is cleared through this account including payroll checks and direct deposit payments to employees. Disbursements from this account include benefit payments for Optional Retirement Plan (ORP), Teacher’s Retirement System (TRS), Employee Retirement System (ERS) group insurance premiums, and all payroll tax payments. This account is set up as a zero-balance account (ZBA) and has positive pay service.
- Operating External Campus Commerce System Account – Deposits into this account include cash and credit card deposits. Disbursements from this account include bank fees, credit card refunds, and student financial aid electronic disbursements. All ACH transactions follow NACHA requirements as a safeguard for customer’s financial and non-financial data and ensure that all ACH transactions are secured.
- Auxiliary Services Account – This account is used to record all Food Service cash and credit card receipts. EFT disbursements from this account are the monthly credit card fees and sales tax payments to the State of Texas. This account is set up as a ZBA.
- Debt Service GO – This account is used to make all general Obligation (GO) bond payments. Funds are transferred to this account from Texpool GO. The paying agent is then paid from this account.
- Controlled Disbursement – This account is used to process all Accounts Payable check disbursements and student refund checks. This account is set up as a ZBA and has positive pay service.
- Electronic Disbursements – This account is used to disburse Accounts Payable ACH payments to employees. This account is set up as a ZBA.

- Federal Funds Account – This account is used for EFT deposits from and disbursements to Federal agencies for student financial aid and grants. This account is set up as a ZBA.
- External Depository Account – This account is set up for deposits only. The account is used to receive VA Chapter 33 payments and also miscellaneous one-time wires from external sources. The account is set up as a ZBA.

5.3 Cash Receipts

The District has implemented internal controls to prevent the loss or theft of cash and ensure all receipts are recorded accurately and in a timely manner.

5.3.1 Safeguard of Cash

All cash must be supervised or secured in a locked safe, file cabinet or desk. A District employee must be designated as the custodian of any District petty cash or change fund accounts. The custodian is responsible for safeguarding the cash and must provide documentation for any fund shortage. Periodically, an accountant performs a surprise cash count to verify cash balances

5.3.2 Cash Receipts

The Bursar Office at each campus is responsible for collecting student and student associated third party payments, receipting departmental deposits, preparing bank deposits and reconciling payments received by the District except for designated Auxiliary Services funds. Designated auxiliary services are responsible for collecting, depositing and reconciling service's daily sales.

The District utilizes an external campus commerce system for receipt of payments, Departmental deposits and detailed using the Receipt/Deposit form and directions to complete the form located at the end of this section or a comparable substitute.

Detailed procedures have been developed to ensure the following internal controls are followed for all cash receipts:

- All checks are restrictively endorsed with a deposit stamp or electronically transmitted (ACH)
- The security and safeguarding over credit cards are PCI compliant
- A customer receipt is generated for every transaction
- Deposits are taken to the bank by an on-campus police officer at least weekly;
- All payments and deposits are secured nightly in a locked safe
- All receipts are reconciled to accounts receivable and bank deposits
- All customer AR account discrepancies are investigated
- All Workday AR general ledger accounts are reconciled monthly by a staff accountant, independent from the Bursar Office
- The depository account is reconciled by an accountant independent from the Bursar Office

Exhibit 5.3.A Receipt Deposit Form

Exhibit 5.3.B Procedures to complete Receipt Deposit Form

Examples of transactions processed by the Bursar include the following:

- Tuition, fees, and housing payments – Payment (check, cash, Visa, Mastercard, Discover) is accepted online and at the campus cashier office locations, utilizing applications
- Scholarship funds – Payments processed at any campus or center cashier office location and receipted with an external campus commerce system receipt.
- Agency fund deposits and/or collected funds – Payments received by clubs and groups can be deposited at any campus or center cashier office location and/or receipted through an external campus commerce system application.
- Theatre ticket sales – Cash, checks and credit cards are collected at the Plano Campus Theatre or purchased online through the department's ticketing program, a an external campus commerce system Ready Partner
- Athletic ticket sales – Cash and checks are collected by the Plano Campus Athletic department
- Library fees and fines – Cash and checks are collected onsite at campus Libraries. Students wanting to pay by credit card are referred to the Bursar Office of each campus
- Child care tuition – Cash, checks and credit cards are collected by the Plano Campus daycare and/or credit card payments made online in an external campus commerce system
- Conference Services payments – Checks received via mail and by the department are deposited at the Bursar Office. Credit card payments processed and/or receipted at the Bursar Office
- Career assessment & testing fees – Cash, check or credit cards are collected by the Bursar Office and/or credit card payments made online in an external campus commerce system
- Culinary arts restaurant – Payments are collected at Frisco Campus

All Bursar daily receipts and deposits are processed using an external campus commerce system applications. Food Service credit card deposits are processed using Volante Payment Systems. All departmental deposits are brought to the Bursar Office daily for processing.

5.3.3 Check Acceptance and Return and Credit Card Chargeback Policy

The District accepts personal checks. The checks must be made payable to Collin College and have a local address. The student's CWID number, driver's license of the person signing the check and a daytime phone number must be provided. Two-party, out-of-state, post-dated and temporary checks are not acceptable. The District may process check payments through an automated clearing house (ACH). ACH transactions are processed against the bank account the same day the check is presented, with the check returned to the presenter or destroyed per procedure. When a check is returned from the bank or a credit card chargeback received, registration and transcript holds are immediately placed on the student account and the student is charged a \$25 return/chargeback fee.

5.4 Cash Disbursements

The District has implemented internal controls to ensure all accounts payable and payroll checks and ACH payments are processed in a timely manner, are properly authorized and are supported by proper documentation. The following internal controls are followed:

- Blank check stock with protective features is used
- Blank check stock is kept secure at all times
- All checks are numbered at the time of the check run
- All checks are signed electronically during the check run process
- The signature file is kept on a secure network location
- Checks are normally mailed to the payee. Payroll and/or AP checks may be picked up in the Business Office at the Collin Higher Education Center.
- Bank statements are reconciled to cash accounts and any outstanding checks are evaluated by an accountant whose responsibilities are independent of accounts payable and payroll
- Bank reconciliations are reviewed and approved by the Director of Accounting
- Requests for replacement checks will result in appropriate research to ensure the check has not cleared the bank
- Checks are voided by an accountant independent of accounts payable and payroll. Proper documentation and research must accompany the request
- Positive pay files are submitted to the bank by accounts payable and payroll and the total submission reviewed by the Accountant who reconciles cash
- Emails are generated to multiple accountants when ACH payments are processed for funding and verification.
- Unclaimed checks are submitted to the Texas Comptroller annually

5.5 Petty Cash/Change Funds

With the implementation of the T-card program which allows employees to apply for and receive District credit card for certain expenses, it has become unnecessary to provide petty cash to employees for minor, miscellaneous expenses. The District maintains change funds at each campus.

Change funds are intended to provide working funds to facilitate the collection of cash in support of Collin department and agency daily operations and special events. Permanent authorized change funds may be used to meet working fund purposes.

Temporary change funds can be requested from the Bursar's Office for specific activities or events. A Change Fund Request Form needs to be submitted to the Bursar's Office at least seven business days prior to the event. Provisions to adhere to cash handling minimum requirements should be in place prior to receipt of the funds, including designation of responsible cash handler, PCI compliance instruction, and secure storage for the funds. Temporary change funds may not be used for petty cash reimbursement purposes.

The Cashier's Office coordinates with Accounts Payable, to provide cash for students for per diem when students are traveling for District functions. Typically, athletics, student

organizations and faculty traveling with students request cash for students through a Spend Authorization. Specific procedures for requesting cash for student field trips are provided in Travel Procedures.

The custodian is responsible for maintaining control procedures to provide safeguards for all cash on hand and to ensure accurate and timely recording of all cash on hand. The primary permanent change funds are held by the Bursar and Auxiliary Services offices.

6. Investment Policies

District investment policies are governed by the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A), and all federal, state, and local statutes, rules or regulations. Administration of all investment activity of the District resides with the chief financial officer, the associate vice president/controller, and associate vice president of accounting and financial reporting. The daily management of investable funds is maintained by the Revenue Accountant. (Gov. Code, Chapter 2256, Public Funds Investment Act)

6.1 Investment Objectives

Investment objectives as defined by the Board of Trustees and prescribed in the local Board policies (CAK Local Board Policy Investments) must primarily emphasize safety of principal and liquidity and address investment diversification, yield, and maturity and the quality and capability of investment management.

Exhibit 6.1.A CAK Local Board Policy Investments

6.1.1 Safety

Safety of principal is the foremost objective of the District's investment program. Investments of the District will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

6.1.2 Liquidity

The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.

6.1.3 Return on Investments

The District's investment portfolio will be designed with the objective of attaining a reasonable market yield throughout budgetary and economic cycles commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

6.2 Ethics and Conflicts of Interest

Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the District's investment program or that could impair their ability to make impartial investment decisions. Investment officials who have a personal business relationship with a business organization seeking to sell investments to the District will file a statement disclosing the relationship to the Texas Ethics Commission and to the District's Board of Trustees. Any material financial interests in financial institutions that conduct business with the District, as well as any personal financial/investment positions that could be related to or have an impact upon the performance of the District's portfolio will be disclosed.

Additionally, investment officials who are related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the District will file a statement disclosing that relationship.

A personal business relationship is defined as (1) owning ten percent or more of the voting stock or shares of the business organization or owning \$5,000 or more of the fair market value of the business organization; (2) receiving funds from the business organization exceeding ten percent of gross income for the previous year; or (3) acquiring from the business organization during the previous year investments with a book value of \$2,500 or more for a personal account.

6.3 Investment Strategies

The District's investment strategies have as its primary objective to assure anticipated cash flows are matched with adequate investment liquidity. The District maintains five funds requiring investment strategies including operating, building, stabilization, debt service, and limited tax bonds Series 2020 funds. **Exhibit 6.1.B CAK Local Board Policy Investments**

6.3.1 Operating Fund

The primary objective of the investment strategy for the operating fund will be to ensure that anticipated cash flows are matched with adequate investment liquidity. Maturities are staggered to meet operating expenditures, based on known and projected cash flows and market conditions. Thirty-six months is the maximum maturity for the majority of securities in the portfolio.

6.3.2 Stabilization Fund

Established by the Board of Trustees to be used at their discretion to pay bond debt early as bond covenants allow or to be used for circumstances deemed necessary by Board.

6.3.3 Building Fund

The primary objective of the investment strategy for the building fund will be to ensure that maturities are matched with anticipated cash flows. Maturities should be staggered so they coincide with estimated draw down dates based on construction schedules and estimated project completion dates.

6.3.4 Debt Service

The primary objective of the investment strategy for the debt service fund will be to ensure that investment liquidity is adequate to cover each succeeding debt service obligation on the required payment date. No investments may be made that exceed the next unfunded debt service payment date.

6.3.5 Limited Tax Bonds Series 2020

Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the District is best served by locking in investment maturities and reducing liquidity. If the arbitrage yield cannot be exceeded, the concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields. Managing the portfolios maturities to not exceed the call provisions of the bond issue will reduce the investment's market risk if the District's bonds are called and the reserve fund liquidated. No investment maturity will exceed thirty-six months. All portfolio

investments will be compliant with bond covenants and insurance requirements of all bond issues.

6.4 Authorized Investments

The District will pursue a conservative, pro-active approach to investment activity and although other investments may be authorized by law, the District may invest only in investments authorized by the Board of Trustees as listed below:

- Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States;
- Federal Deposit Insurance Corporation (FDIC) insured or collateralized time or demand deposits issued by a state or national bank domiciled in this state that are:
 - insured by the Federal Deposit Insurance Corporation or its successor;
 - secured by obligations described by the Public Funds Collateral Act, Chapter 2257; or
- Fully collateralized repurchase agreements, as expressly defined in Section 2256.011, Texas Government Code.
- Investments pools approved by the District's Board of Trustees, by Resolution with a continuous rating of no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and striving to maintain a \$1 net asset value.
- AAA-rated money market mutual funds meeting the following criteria:
 - The fund must be registered with and regulated by the Securities and Exchange Commission (SEC);
 - The fund must have a dollar-weighted average stated maturity of not more than 60 days;
 - An established objective of the Fund must be to maintain a stable net asset value of \$1 for each share;
 - Comply with SEC Rule 2a-7; and
 - The fund must meet all requirements of the Texas Public Funds Investment Act, as amended.
- Domestic commercial paper rated A1/P1 or equivalent with a maximum maturity of 270 days.
- Obligations of states, agencies, counties, cities, and other political subdivisions of any US state rated A or equivalent by a nationally recognized investment rating agency.
- FDIC insured, brokered certificates of deposit securities issued by any bank in the US delivered versus payment to College District's safekeeping agent.
- Share certificates of credit unions domiciled in the state insured by the National Credit Union Insurance Fund.
- Interest bearing accounts in any bank in Texas, FDIC insured or collateralized in accordance with this policy.

6.5 Monitoring Rating Changes

The investment officer or investment advisor will monitor the credit rating on all authorized investments in the portfolio that require minimum ratings. In the event that the credit ratings of any security falls below the minimum required rating, the District will take all prudent measures that are consistent with its policy to liquidate the investment.

6.6 Collateralization

Collateralization will be required on all bank time or demand deposits and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level shall be 102 percent of market value of principal and accrued interest.

Acceptable collateral includes securities as specified in the Public Funds Collateral Act, Chapter 2257, Texas Government Code. Additional collateral may be pledged or purchased as required, released as it is not needed, and substituted, if necessary, with the written consent of the investment officer.

6.7 Internal Controls

Duties related to investment activities shall be delegated so that segregation of duties will be maintained with respect to purchasing, recording, authorizing and reconciling investment accounts. The District's designated investment officers will be responsible for investment decisions. Written signature authorization of two of the aforementioned investment officers is required to execute all investment purchases or sales. The District has contracted with an investment advisory firm to assist the District in executing trades, maintaining broker dealer list, make investment recommendations, and assist with cash flow analysis. They are required to follow the guidelines established by the Public Funds Investment Act.

As part of the annual financial audit, the external auditors will perform a compliance audit of management controls on investments and adherence to investment policies and procedure.

6.8 Investment Policy Review and Adoption

The District's investment policy will be adopted by written resolution of the Board of Trustees stating that the Board has reviewed the investment policy and strategy and will include any changes made to either. The investment policies and strategies will be reviewed and approved by the Board of Trustees not less than annually. All revisions will be formally approved by the Board of Trustees. The most recent Board approved investment policy and strategy can be found in (**Exhibit 6.1.A CAK Local Board Policy Investments**). The District shall maintain a list of qualified brokers authorized to engage in investment transactions. The Board of Trustees shall annually review, revise and adopt this list of qualified brokers.

6.9 Investment Reporting

Not less than quarterly, a written report of investment transactions for all funds will be prepared and signed by the investment officers and will be submitted to the Board of Trustees. Reports will be prepared in accordance with requirements as specified in Section 2256.023, Texas Government Code. The quarterly written reports will be reviewed annually during the compliance audit of an independent auditor with the results reported to the Board of Trustees. Investment reports can be found on the college website; <https://www.collin.edu/financials/investments.html>

6.10 Investment Training

The District's chief financial officer, the associate vice president/controller and the associate vice president of accounting and financial reporting, being designated by the Board of Trustees as the investment officers for the District, will receive ten hours of instruction in accordance with the Public Funds Investment Act of the State of Texas within the first twelve months of assuming the position. Every succeeding two years the officers will receive at least ten additional hours of training relating to investment responsibility from an independent source approved by the Board.

7. Accounts Receivable

Any amount owed to the District for goods and services provided is considered a receivable to the District. These debts are short term and are normally expected to be paid to the District within 30 days. The District's accounts receivables include, but are not limited to the following:

- Student Tuition and Fees Receivables
- Financial Aid Receivables
- Returned Check Receivables
- Third Party Billing Receivables
- Child Care Receivables
- Facility Rental Receivables
- Grants Receivables.

All receivables are reviewed, and reconciled by the accounting staff. All past due accounts are reviewed and pursued for payment either by internal staff, or collection agency after internal efforts have been exhausted. The accounts receivable accounts are maintained in a Banner subsidiary ledger or in an Excel spreadsheet.

A hold is placed on all student accounts with a past due balance to prevent future registration or the receipt of transcripts.

7.1 Student Tuition and Fees Receivable

A Banner subsidiary ledger is used to track all student tuition and fee receivables. Transactions are posted to the student's accounts receivable whenever a student enrolls or withdraws from a credit or continuing education course. Tuition and fee charges are calculated based on the number of credit hours the student registers for, the residency classification of the student as determined by the Admissions Office, and any lab or special fees associated with the course. Continuing Education tuition is calculated by individual course cost and approved fees. Account activity is reviewed by the Bursar's office on an ongoing basis for accuracy.

Students are responsible for all charges posted to their accounts and are required to establish funding for those charges by the published payment deadline. Any student who does not arrange funding for an outstanding receivable is subject to courses being dropped. If an outstanding balance exists on a student's account prior to registration, the balance must be paid before future registration may occur. In addition, outstanding balances result in transcript holds being placed on student accounts.

Installment plan options are available for students in each undergraduate term. There is an installment plan set up fee of \$25. A student must pay 50% of the amount owed on the installment by payment deadline and then the remaining account balance in two payments. An *Installment Plan Agreement* (https://www.collin.edu/bursar/payment_methods.html) must be completed. Online agreements require an electronic signature and scheduled payment information for the two future installment plan payments be provided. The scheduled payments will be automatically deducted from the student's designated financial institution on the installment payment deadline. A \$25 late fee will be assessed for each late payment, including scheduled payments not completed by the designated financial institutions. Installment plan accounts in default of the payment schedule are subject to changes in course registration status and account holds.

7.2 Financial Aid Receivables

Student financial aid receivables occur when all or part of the student's tuition, fees, and/or books was paid with Title IV or other financial aid funds and all or part of the funds must be returned to Title IV, were never disbursed to the student account, and/or other changes in financial aid eligibility and/or awards. Financial aid awards and overpayments are determined by the Financial Aid Office based on state, local and federal guidelines.

7.3 Returned Checks and Credit Card Chargeback Receivables

Checks returned by the bank for nonpayment and credit card chargebacks are processed by the Bursar's Office. Accounts with balances resulting from returned check or credit card chargeback have restrictive holds applied and course registration status may be changed.

Returned paper checks posted during an academic term are processed by the bank through a designated Auxiliary Services bank account. The District will revoke check writing privileges to persons from whom it has received more than three returned checks, stop pay or account closed check. A \$25 fee for each returned check or charge back, that is not the result of fraudulent activity, will be assessed. Balances incurred from returned checks, credit card charge backs, and/or past due payments may not be paid with a check. If payment is not made on a returned check within the given timeframe of the term, the returned check is filed with the collection agency.

7.4 Third Party Billing Receivables

An outside entity may request to pay for a student or group of students' tuition receivable(s). A Third-Party Billing Agreement is an acceptable substitution, or a pre-approved voucher or purchase order issued by a recognized third-party sponsor must be provided by the entity detailing the students and specific details of what tuition, classes, fees or books will be paid by the entity. The Agreement must be signed by an authorized agent of the outside entity and the Collin's Bursar or designated representative. The Agreement duration should not exceed two years, but may be renewed upon agreement of both parties. Duration exceptions may be made for federal, state, or local government tuition assistance programs.

The Bursar's Office is responsible for tracking the third-party billing receivable and collecting all past due amounts

Exhibit 7.4.A Third Party Billing Agreement

7.5 Child Care Receivables

The District has a child care center for students and staff. The child care center uses a software system to track all charges and payments. Payments are made online through external campus commerce system at the Plano cashier's office. A monthly reconciliation is done by the Accounting department.

7.6 Facility Rental and Catering Receivables

The District provides rentals for conferencing facilities, meeting rooms, lecture halls and classrooms for businesses and organizations. When space is available, fees are based on profit and non-profit status. All Facility leasing is processed and paid through Workday. Catering services are managed through a 3rd party system.

7.7 Grants Receivable

The District has accounts receivable due from federal, state and local grants. The receivables are tracked in Workday and Excel. The Grants Manager is responsible for the timely billing and collection of all grant receivables.

7.8 Miscellaneous Receivables

The District routinely has miscellaneous receivables from external sources not processed through the Banner student subsidiary ledger. The miscellaneous receivables are recorded in Workday. The account is reviewed by the revenue accountant who is also responsible for collection of the receivable.

7.9 Collections

Delinquent accounts may be placed with an outside collection agency and/or reported to the national credit bureau system. If a student's account is referred to an agency for collection, a collection fee will be assessed and will be due in full at the time of the referral to the agency. The collection fee will be calculated up to the maximum amount permitted by applicable law, but not to exceed 30 percent of the amount outstanding. All disputes about registration or payment will be governed in accordance with the laws of the State of Texas. The venue for any lawsuit regarding collection of a delinquent debt will be in Collin County, Texas.

Collection efforts on past due accounts include both internal and external efforts. The District follows the following collection timeline:

- During the current term, monthly e-statements are sent to accounts with balances due and automated e-mails are sent nightly to accounts with newly identified balances due
- Two to three months after the end of a financial aid period, a spreadsheet is created of all students with outstanding term balances and the debt type identified
- Emails are sent to all known e-mail accounts
- Phone calls are made to all available phone numbers
- Notification letter is mailed to the student's main address
- Two to four weeks after the initial notification letter is mailed, a second and final letter will be mailed
- Thirty to forty-five days after the final letter is mailed, the accounts with balances over \$25 are submitted to the first placement collection agency.
- The collection agency will attempt to resolve the account for thirty days before reporting the debt to a national credit bureau
- Accounts still outstanding after one year with the first placement collection agency will be returned to the District. The outstanding accounts will then be placed with the second placement collection agency for one year

7.10 Write Off of Accounts Receivable

Write off of uncollectible accounts is done after Title IV financial aid adjustments for a completed term are finalized. Accounts with a balance less than \$25 from a prior term will be written off. Accounts greater than \$25 will be written off the District's accounting records when all collection procedures have been conducted without results. A hold will remain on the student's account

preventing future enrollment and release of transcripts. All documentation detailing the written off debt must be maintained for future reference.

7.11 Allowances for Doubtful Accounts

The District has established an allowance for doubtful accounts. The allowance is reviewed annually by the Associate Vice President/Controller to determine appropriateness.

7.12 Payment of Accounts Receivable

All payments to the District are processed and reviewed by the Bursar's Office. Payments may be made in person, by mail or online. The District accepts cash, check, MasterCard, VISA, or Discover. Two-party, out-of-state, and/or temporary checks are not accepted. Checks issued by credit card companies are not accepted. MasterCard, VISA, or Discover gift cards may be used for payment. However, the gift card used for payment should not be discarded. If any refund is necessary, the refund amount will be returned and loaded on the original gift card.

The District may refuse or restrict check payments on any account on which a check payment was not honored by the originating financial institution and/or for any past due balance. Payments made by personal check may be processed electronically (ACH). Exceptions require approval from the CFO or a designated Financial Services associate vice president.

7.13 Reconciliation of Receivables

All accounts receivables should be reconciled by accountants on a monthly basis. Any differences noted in the reconciliation process are investigated and steps taken to correct the general ledger or the accounts receivable subsidiary ledger as needed.

8. Capital Assets

The District can acquire capital assets through a purchase, trade-in, lease agreement, or a contribution. Capital assets are recorded at cost, including all costs incurred placing the asset in service. Contributed property, plant and equipment is recorded at the acquisition value as of the date of the gift.

8.1 Capitalization Thresholds

The District capitalizes all equipment with a cost of \$5,000 or more and a useful life exceeding one year. Capital equipment in Workday is coded to specific accounts:

Infrastructure and building improvements will be capitalized if the Chief Financial Officer determines the particular improvement warrants capitalization. Building construction and building improvements are coded to specific accounts.

8.2 Capital Assets Acquisition Cost

The basis of accounting for depreciable fixed assets is acquisition cost, and all normal expenditures, including installation costs, architect fees, engineer fees, etc., of readying an asset for use will be capitalized.

8.3 Leased Equipment and Software

Leases meeting the criteria under GASB 87 for certain assets previously classified as operating leases and GASB 96 for Subscription-Based Information Technology Arrangements are evaluated and recognized as a liability or asset as appropriate on the District's Statement of Net Position. The District recognizes lease liabilities with an initial, individual value of \$100,000 or more.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the payments/receipts to present value, (2) the lease term and (3) lease payments/receipts.

All other leases are accounted for as operating leases and rent payments/receipts are charged to expense as incurred.

8.4 Donated Property and Equipment

All donated property and equipment are approved by the Board of Trustees. Donated assets, which, at the time of receipt, meet the District's threshold for capitalization will be capitalized at acquisition value or appraised value at the time of the gift.

8.5 Capital and Controlled Assets Purchased with Federal or State Grant Funds

The District is committed to complying with applicable laws, regulations, and requirements for all local, state and federal grants. As such, the District adheres to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) issued by OMB and Texas Grant Management Standards.

Capital equipment purchased with grant funds is defined as non-expendable property costing \$5,000 or more (including installation charges and freight) and has a useful life of more than a year. Sponsor definitions of non-expendable equipment may vary as to the acquisition cost threshold. Purchases of specialized equipment are normally allowable with advance approval from the sponsoring agency. When practical equipment already in possession of the District will be utilized. Project funds are only used to pay for authorized equipment acquired sufficiently in advance of the ending date of the project period to be effectively used on the project. The Principal Investigator verifies equipment received is as ordered and in good condition. Any discrepancies or damage are immediately reported to the Procurement Department. Responsibility for maintaining physical control of all equipment acquired under an award and safeguarding it against loss, damage, or unauthorized use, rests with the Principal Investigator.

Controlled assets are non-capital assets with a per unit cost less than \$5,000. A physical inventory includes controlled assets (these include grant assets with a specific requirement to track all asset purchases, i.e. Perkins).

8.6 Impairment of Long-Lived Assets

A recognized impairment of a long-lived asset will be reflected when circumstances warrant. A disclosure of the loss will include a description of the impaired asset and the measurement assumptions used to determine the loss amount.

8.7 Classification of Capital Assets

8.7.1 Land

Land includes the amount paid for the purchase, including all costs such as broker fees and legal fees. Land is not depreciated.

8.7.2 Land Improvements

Expenses incurred to improve the landscape of a new or existing property such as grading, and high dollar irrigation and landscaping.

8.7.3 Buildings

Buildings consist of all structures used for operating purposes. Included are all permanently attached fixtures, machinery and other components cannot be removed without damaging the building. All direct costs of construction are applied to the value of the building.

8.7.4 Construction in Progress

Construction in progress is a holding account in which expenditures, such as architecture fees, construction, etc. associated with a capital project are recorded. Construction in progress is reported with capital assets on the financial statements but not depreciated. Once construction is completed, a new capital asset is created in the asset tracking system and depreciation starts.

8.7.5 Equipment

Equipment consists of office and classroom furniture, fixtures, equipment and vehicles which are tangible personal property and have a useful life of more than one year.

8.7.6 Right-to-Use Leased Assets

The District recognizes a lease liability and an intangible right-to-use lease asset for leases with an initial, individual value of \$25,000 and lease term longer than one year. At the commencement of the lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

8.7.7 Library Books

Library books include paper and electronic media. Library books are not capitalized on an item by item basis. The amount capitalized is the total expended by campus for the entire fiscal year. Disposals are entered at the end of the fiscal year and reduced from the oldest library book asset.

8.7.8 IT Equipment and Software

IT Equipment consists of servers, classroom projectors, computers and other IT-related items which are tangible personal property and have a useful life of more than one year with a value of \$5,000 or more.

8.8 Depreciation

8.8.1 Depreciation Method and Basis

Depreciation on capital assets other than buildings and site improvements is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention and no residual value. Depreciation on buildings and site improvements is calculated using the half-year convention, straight line method with residual value of 10%. Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value won the date received.

8.8.2 Useful Life

The established useful lives for determining depreciation expense by category are as follows:

Buildings	50 years
Land Improvements	20 years
Library books	15 years
Furniture, Equipment, and Vehicles	10 years
IT Equipment and Software	5 years
Right-to-use Leased Asset	4-6 years

8.9 Capital Asset Management

8.9.1 Receipt of Capital Asset

All equipment and library capital assets are purchased through procurement process utilizing a purchase order and received at each campus. The Plant Operations employee at each campus is responsible for properly receiving and tagging capital assets. Each asset is tagged with a decal assigning a specific number to the asset. The Plant Operations employee completes the Fixed Asset New Asset form. The form lists detailed information about the asset and is signed by the Plant Operations employee at the related campus. The completed form is sent to the Fixed Asset Coordinator for entry into the Workday inventory system. A copy of the form is maintained in Plant Operations and a copy is sent to the Department receiving the capital asset.

An acquisition form will also be completed for all non-capital equipment purchased with federal or state grant funds. The District has chosen to track all grant non- capital equipment using the same procedures as grant capital equipment.

8.9.2 Department/Custodian Responsibilities

Each asset is assigned to a department and a specific custodian. The Department is responsible for the custody and tracking of each asset. The Fixed Asset Coordinator will provide annual reports to Departments listing the capital assets assigned to them. Any discrepancies need to be communicated to the Fixed Asset Coordinator.

8.9.3 Transfer of Capital Assets

Assets may be transferred between departments, locations and custodians. A Fixed Asset Transfer form will be completed when transferring capital assets. The completed form will be sent the Fixed Asset Coordinator to update the Workday inventory system. A copy of the form is maintained in Plant Operations and a copy is sent to the Department receiving the transferred asset.

8.9.4 Surplus Items

An asset can be declared as surplus. Surplus items are those items in working or repairable condition and may be selected for use in another department Storage space is limited on each campus and could result in surplus equipment being posted for auction.

If the item is capital or controlled, a Fixed Asset Transfer form must be completed. A copy of the form must be sent to the Fixed Asset Coordinator and to Plant Operations.

8.9.5 Lost or Stolen Capital Assets

Lost or stolen assets must be reported to supervisors immediately; stolen assets should also be reported to the Campus Police Department. The Department responsible for the asset must complete a Fixed Asset Retirement form. Copies of the asset form and police report are sent to the Fixed Asset Coordinator and Plant Operations.

8.9.6 Retirement of Salvages Capital Assets

A salvaged asset is defined as any asset not working, not cost effective to repair or working and obsolete. A Fixed Asset Retirement form must be completed by the department retiring the asset. Copies of the form are sent to the Fixed Asset Coordinator and Plant operations.

The District recycles obsolete computers and computer equipment after removing the hard drive.

8.9.7 Auction of Capital Assets

The District uses an online auction company to dispose of salvaged or surplus assets due to limited storage facilities. The Fixed Asset Coordinator is responsible for the online auction process. The VP of Facilities and Construction must approve all items being sold at auction and pricing.

Auctions are held multiple times a year and are open to the general public online. The proceeds from online auctions are deposited to the current unrestricted fund as miscellaneous income.

8.9.8 Inventory of Capital Assets

In accordance with Generally Accepted Accounting Principles and the Texas Education Code, the Fixed Asset Coordinator will perform a physical inventory of all capital assets on a periodic basis to ensure controls are adequate to safeguard District property. The inventory will also include non-capital equipment purchased with federal or state grant funds which is tracked using the same procedures used for capital equipment purchased with state funds.

The Fixed Asset Coordinator will send all Departments a listing of capital and grant equipment in their custody prior to the inventory. The Department will be responsible for ensuring all capital assets in their custody are available for the physical inventory. The Fixed Asset Coordinator will maintain documentation of results for review, comment and resolution.

The Library staff is responsible for tracking all library book/media acquisitions and disposals by campus. Library books are not capitalized on an item by item basis. The amount capitalized is the total expended by campus for the entire fiscal year. Disposals are entered at the end of the fiscal year and reduced from the oldest library book asset.

8.9.9 Reconciliation of Capital Assets

Capital assets and grant purchased equipment are reconciled monthly by the accounting department. The reconciliation ensures all new assets were properly entered into the Workday Fixed Assets module and all retirements were properly recorded.

Accounting also reviews monthly reconciliations of construction accounts and depreciation recorded in the general ledger.

Exhibit 8.9.A Fixed Asset New Asset

Exhibit 8.9.B Fixed Asset Transfer

Exhibit 8.9.C Fixed Asset Retirement

9. Accounts Payable

The Accounts Payable (AP) function is responsible for ensuring that the District pays its bills on time and maintains good relationships with its customers: suppliers, students and employees. By managing the payment process efficiently, the Accounts Payable team helps to maintain the financial health and stability of the District.

AP responsibilities include the following:

- Process invoices and payments to suppliers and other 3rd parties utilizing Workday Supplier Invoice, Supplier Invoice Request, and/or Ad Hoc Transaction;
- Process reimbursement to employees through Workday Expense
- Process credit card payments either through Workday Expense, Procurement Card Transactions (PCT), and/or Ghost cards.
- Issue 1099's to appropriate suppliers based on IRS criteria.

9.1 Internal Controls

Segregation of Duties

Duties are separated according to job security in Workday. Security in Workday will not allow the same person to enter and approve the same invoice. Business processes and custom validations drive all transactions in Workday. Workday does not allow the entry of duplicate invoice numbers by vendor.

Other controls include:

- Requirement of a supplier invoice number
- Approvals based on thresholds and/or spend categories
- Proper documentation required to support transactions
- Access to check stock is limited to authorized personnel
- Bank account reconciliations are completed by accountants, separate from the AP function

Vendors are set up and maintained by Procurement Services with the proper W-9 completed.

9.2 Processing Invoices and Payments to Suppliers and other 3rd parties

9.2.1 Purchase Order (PO) Invoices

- Invoices are processed from a Purchase Order (PO), Supplier Invoice Request, or Supplier Invoice (without a PO, only by AP). If processed from a PO, approvals for the purchase are obtained at the requisition stage from the cost center manager, and depending on the amount of the requisition from the cost center manager 2 (at \$15,000), and the division manager (at \$50,000). Other approvals may be required depending on the spend category (assets, leases, software) of the purchase.
- AP is responsible for entering all invoices into Workday for payment unless invoices are from a Punchout vendor and/or for which a ghost card is attached (Amazon Punchout,

and Staples Punchout). The AP Associate reviews all invoices for accuracy and completeness. Items reviewed include quantity ordered versus quantity received, amount due, sales tax, remit to address and the correct spend category and cost center. Any discrepancies in quantity or price are communicated with the requestor and the Procurement Department. For errors in billing, AP staff will contact the vendor for a corrected invoice or credit memo.

- Based on the terms of the purchase orders, suppliers are instructed to mail invoices to the AP Department or email invoices to acctspay@collin.edu. If a department receives a vendor invoice directly, it should be forwarded to the AP Department.

9.2.2 Purchase Orders, Invoices, Receipts and Three-Way Match

Departments are responsible for completing the receiver in Workday before an invoice will be paid. Additionally, end users must attach a receiving document, i.e. packing slip to verify receipt. If a packing slip is not available, the end user must attach documentation to support the receipt of goods and/or services.

Workday uses a three-way match system before payment can be made to a vendor. There must be a valid purchase order, receipt and invoice in Workday to allow a payment to be processed.

AP takes advantage of all purchase discounts offered by vendors, when possible. Payment will be made in accordance with Texas Government Code, Subchapter B. Payments and Interest, Chapter 2251.021 (b). which allows payment to be made within forty-five days after all terms of the purchase have been met.

The District will not make a prepayment, down payment or partial payment for goods, unless extenuating circumstances warrant it, and advance approval is received.

Invoices over \$50,000 require the AP Manager approval.

9.2.3 Non-PO Invoices

Supplier Invoice - Only AP staff can enter a supplier invoice without a Purchase order; it will go through the same approval path as noted above for requisitions, with an additional approval by the AP Manager.

Supplier Invoice Request-typically entered by a department outside AP, in order to pay for invoices not associated with a purchase order;

Professional Services Contract form is used to process payments for services rendered to the District by those other than employees. A completed W-9 must be on file for the vendor or attached to the form. Vendors are 1099 vendors, and may be paid under several spend categories, and a couple ledger accounts, most likely 72000 Professional Services, and/or 72005 Contracted Vendor Services.

Typical services requiring a Contract for Services agreement:

- Consultant- Expenses for independent expertise in the review, evaluation or guidance in the improvement of a process or a correction of a problem.
- Guest Lecturer- Expenses for guest speakers for a class or event
- Performer- Expenses for entertainment type services

Approvals are performed as previously described above for Supplier Invoices without purchase orders. In addition, if the invoice involves a contract for services agreement an additional approval/signature on agreement is required as noted below:

- If <\$25,000, Procurement Manager approves and signs agreement;
- If >\$25,000, the CFO approves and signs agreement

9.2.4 Processing Invoices via Ghost Card and Procurement Card Transactions (PCT)

Ghost Card - Amazon/Staples invoices are paid monthly using a ghost card due to the high-volume activity for these two vendors. A requisition is created in Workday, approvals are routed based on funding source, and purchase order issued. An invoice is submitted when Creating a Receipt in Workday. Invoices are transmitted from the vendor to JPMorgan, then transmitted into Workday. As it passes through JPMorgan, the ghost card pays the supplier invoices. Amazon/Staples invoices are reconciled monthly by the AP staff utilizing the Supplier Invoice Workbench. A monthly JPMorgan statement for the ghost card account is downloaded and compared to invoices submitted and processed.

PCT - Various Utility invoices are paid with a credit card and processed as a procurement card transaction. The invoices are processed by Accounts Payable as an expense report, with approvals routed to the appropriate cost centers for each utility. Once approved, the expenses post to the appropriate cost centers. The P-Card clearing account clears when accounts payable runs a PCT settlement run.

9.2.5 Processing Payments

Settlement Runs – AP staff are responsible for processing all vendor checks and ACH files for supplier payments and employee reimbursements, respectively. Before checks are mailed, a proper review is performed for each check run to ensure the checks amount are accurate, and they agree to the backup, including account coding and remit to address.

Positive Pay - The District has positive pay set up with the Bank on its controlled disbursement account. Positive pay reduces the risk of check fraud. The positive pay file is sent to the bank through Workday.

9.2.6 Problem Checks

An issued check may need to be canceled, stop payment placed and reissued, or a combination of actions. The AP and/or Accounting staff will determine the status of a check, and if necessary, action within the bank account may need to be taken (e.g. stop pay) and adjustments in Workday (e.g. correct payee address) may need to be done to complete the correction.

Stale Dated Checks - Outstanding checks less than three years old are investigated to determine if they need to be voided and reissued. Accounting provides AP staff a list of vendor and employee outstanding checks each month and they research contacting the payee to determine if a check needs to be reissued. Outstanding checks greater than three years old are turned over to the Texas State Treasurer by Accounting in compliance with the Unclaimed Property Reporting requirements.

9.2.7 Reconciling Statements

Accounts Payable Associates/Coordinators are responsible for reviewing all vendor statements received in a timely manner and researching all outstanding invoices.

9.3 Travel

Travel Expenses for employees include professional travel for staff and faculty (COE) and student field trips. Travel is anywhere in the continental U.S. to conduct job related duties and may require an overnight stay. International travel requires special approval. Employees complete a spend authorization containing estimated travel expenses in Workday requesting approval to travel. An expense report is submitted after travel. Approvals are routed to the employee's supervisor, then cost center manager. Approval by the accounts payable staff is required to process the expense report. Travel Procedures and training is provided to employees.

9.4 Credit card (T-card) Usage for Travel and Non-Travel

A Credit T-card will be issued upon approval by their supervisor and cost center manager to employees. T- cards are used for authorized business and travel related expenses. Employees who do not obtain a T-card prior to traveling will pay for travel expenses up front and wait for reimbursement after traveling. Approvals for all expense reports, travel and non-travel, follow the same workflow as noted above. T-Card Procedures and training is provided to employees. **Exhibit 9.4.A TCard Procedures**

9.5 Expense Reimbursement for Non-Travel

Employee reimbursement for business expenses incurred and paid by the employee is eligible for reimbursement by submitting an expense report, or depending on the business purpose, a spend authorization. Proper documentation to support the reimbursement request must be submitted as an attachment to the expense report or spend authorization. Reimbursement for relocation expenses and tuition reimbursement are processed by payroll upon approval by Human Resources. All other reimbursement requests are processed via expense report. Expense reimbursement may be received for the following categories:

- Local Travel
- Employee Reimbursement
- Tuition Reimbursement (Spend Authorization)
- Recruiting Expenses
- Staff Meeting Expense
- Relocation Reimbursement

Specific guidelines for each report are provided to employees, as well as training.

9.6 1099 Processing

The Procurement Department is responsible for obtaining a W9 from all vendors who are paid for services and entering the correct federal tax classification. Each 1099 is generated and reviewed each year by the AP Manager and an AP Supervisor ensuring all federal guidelines are followed and all deadlines are met.

9.7 Tax Exemption

The District is a special purpose government agency and is exempt from state and local sales tax and state hotel occupancy.

Accounts Payable must review all invoices and receipts to confirm the District is not paying unnecessary taxes. If the District is charged tax in error, the vendor or employee must be contacted to reimburse the taxed amount or to receive a credit.

9.8 Document Imaging and Filing

All invoices and support documents are scanned into Workday at time of entry, or transmitted electronically by the vendor. Check copies are stored in Workday.

10. Accounts Payable - Travel

Travel expenses for employees include local travel, professional travel, and student field trips. The travel can be within or outside the North Central Texas area to conduct job related duties or attend a workshop, conference, or event providing job related training and may require the employee to stay overnight. All employees are responsible for reviewing all travel procedures prior to travel. Employees complete a Spend Authorization in Workday requesting approval to travel.

All travel reimbursements to employees are made with an ACH to the employee's bank account used to process the employee's monthly payroll. It is the employee's responsibility to ensure the business office has correct bank routing and account information. Employees are provided Travel Procedures.

Exhibit 10.1.A Travel Procedures

10.1 Types of Travel

10.1.1 Local Travel – Mileage

Local travel includes travel within the DFW metroplex required to perform regular duties/responsibilities by employees. The local travel form should be used when travel does not require an overnight stay or prepayment of a registration. The form is approved by the cost center manager and the AP Department.

Local Travel Forms should only be submitted to at the end of the month and should only contain one month's travel. Final travel reimbursements for the current fiscal year must be received by the AP Department by the second Friday of September each year. Forms received after that date will be paid from the new fiscal year budget.

The District will also reimburse the expenses with proper documentation: parking, tolls, and business-related meals. These expenses are added to the report as additional expense lines.

Exhibit 10.2.B – Local Travel Form

10.1.2 Business/Professional Development

Professional development includes travel to attend a workshop, conference, or event providing job related training and may require the employee to stay overnight or pay a registration fee.

A Spend Authorization must be completed in Workday by the employee prior to traveling. Spend Authorizations are requests to travel and are based off estimated expenses. These requests are approved by the employee's supervisor, and cost center manager. Once approved then travel arrangements, including registration, may be made.

Once employee has returned from the conference, workshop, etc, an expense report must be completed in Workday. The spend authorization is attached to the expense report and along with all the actual expenses. These reports are approved by the cost center managers and the AP Supervisor/Manager.

The District will reimburse the following expenses with proper documentation: registration, airfare, baggage fees, lodging, meals, mileage, and ground transportation.

10.1.3 Student Field Trip

When students participate in an approved field trip (including athletic game trips), a Spend Authorization is completed in Workday by the sponsor. Spend Authorizations are requests for approval to travel and are based off estimated charges. These requests are approved by cost center managers and additional approvers based on the group affected – SAFAC, etc.

Per Diem for all student field trips are made to the trip sponsor and not to each individual student. This is completed by the Bursar's office.

10.2 Trip Cancellation

In the event of inclement weather or other extenuating circumstances beyond the employee's control, it is the employee's responsibility to obtain credits and/or refunds for any advance purchases made for travel and to notify AP at acctspaytravel@collin.edu of anticipated credits. This includes registration, hotel, and airfare.

All travel questions need to be sent to acctspaytravel@collin.edu

11. Grant Monitoring and Reporting

Grant Accounting performs all post-award accounting and financial administrative functions related to grants and contracts. The staff is responsible for all financial matters associated with project administration including budgetary assistance and ensuring compliance with direct and indirect costing directives of the sponsoring agency. Grant Accounting maintains the following files: interim and final financial statements filed with the agency, copies of the original budget and any budget revisions, prior approval notices from the agency where applicable and any other correspondence relative to the fiscal management of the grant.

The Grants Management Handbook provides detailed information about grant accounting procedures.

The District complies with all applicable federal, state, and local laws, regulations and policies. The District also complies with the specifics of the award agreement and the guidelines associated with the award.

Exhibit 11.A Grants Management Handbook

11.1 Responsibility of the Principal Investigator

The Principal Investigator (PI) has primary responsibility for achieving program objectives, while also complying with the financial and administrative policies and regulations associated with the award. Functions provided by Grant Accounting do not relieve the Principal Investigator of their responsibilities concerning the financial aspects of a grant or contract.

The Principal Investigator;

- Must maintain detailed program and financial records for the project. These records are to be utilized when reviewing the District's monthly financial reports, and when performing any other required administrative duty.
- Is responsible for monitoring amounts passed through to sub-recipients. This active monitoring is accomplished through review of reports and correspondence from the recipient, obtaining copies of their audit reports, site visits and other available information.
- Is responsible for the timely submission of all required documentation during the grant period, for example, Cost Sharing and Matching Funds.
- Is required to handle any problems associated with the grant within thirty to forty-five days of termination. The Grant and Contract Accounting Staff assists in any way possible, but the main responsibility for internal problem solving resides with the Principal Investigator.
- May not be substituted or re-assigned without prior approval from the funder. Multiple Principal Investigators are permitted; however, the presence of multiple PI's does not diminish the responsibility nor the accountability of any individual PI.

11.2 Expenditure Guidelines

Most federal and non-federal agencies or organizations issue their own policy guidelines and directives defining acceptable costs for purposes of their program. Despite a great deal of commonality as to content, there are sufficient variations in policies to make it impractical to issue and maintain one binding policy.

Individual agency or organizational directives must be consulted for authoritative guidance. As of this writing, the March 1, 2023 amended version of 2 CFR, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance-UGG), can be viewed at: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

Reimbursements of expenditures to recipients of Federal grants and contracts are governed by a set of cost principles identified as 2 CFR, Part 200 Subpart E – Cost Principles (200.420 – 200.476). These cost principles serve three primary purposes:

- They distinguish allowable from unallowable costs.
- They describe the methods for calculating an indirect cost rate and allocating indirect costs, and
- They establish accountability requirements for supporting charges to Federal grants and contracts.

End Date of each grant, contract, or award - Sixty to ninety days before the end of the above, review all charges including any encumbrances remaining or items that have not been processed to ensure all allowable charges are booked. Most grants require the submission of a final expenditure report.

200.1 Equipment Definition – Equipment means 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. See also Capital assets, Computing devices, General purpose equipment, Information technology systems, Special purpose equipment, and Supplies.

Federal Award Equipment requirements for purchases are located at 200.310 – 200.316.

Federal Procurement Standards for purchase including Contract Provisions are located at 200.317 – 200.327.

11.3 Monitoring Budgets and Expenditures

The District's Workday Finance System allows for budgeting to specific expense ledger accounts based on the restrictions of the sponsor. Workday budget for grants is set to check budget availability at the ledger level. If there is insufficient budget, the transaction (requisition, expense report, supplier invoice) will fail. The originator of the transaction will be notified of the failed budget on the transaction. A budget amendment would be necessary in order to process the transaction. If a budget amendment is necessary, approval to re-budget should be obtained prior to incurring the expenditure. Individual sponsors vary considerably in the amount of budgetary flexibility allowed. Some modifications require written approval of the sponsor. Information concerning sponsor restrictions is normally available in the sponsor's guidelines.

Grant Accounting monitors allowability of actual expenditures incurred for each grant fund. However, primary responsibility for following District and sponsor policies when incurring costs on a grant resides with the Principal Investigator and Grant Manager.

Budget availability as well as the allowability of actual expenditures incurred for each grant fund is monitored monthly/quarterly. All requisitions, supplier invoice requests, budget amendment and expense reports are reviewed by Grant Accounting staff for the following; 1) allowability of the expenditure and 2) proper documentation.

11.4 Budget Entries and Report

Based on the budget provided with the award notification, budget detail is entered into the Workday Finance system by fund, cost center, program, and ledger. A quarterly budget report for the new awards is set up in Workday to be submitted to the Board of Trustees for review and approval. (see Exhibit A) The Workday Finance system will maintain and report the Original Budget, Budget Amendments, and the Revised Budget.

Exhibit A: Collin College Grant Budget Amendments Quarter Ending November 30, 2022

**Collin College
Grant Budget Amendments
Quarter Ending November 30, 2022**

Federal (F), State (S), Private (P)	New (N), Renewal (R), Modification (M)	Agency	Effective Date	Length of New Award	Grant Name	Amount	Purpose of Grant
F	R	DOE Federal Institute of Museum and Library	Sep-22		Carl Perkins Basic 22/23	\$ 1,076,851	Pass through THECB Support awardee in educating students who enroll in CTE Courses and programs in preparation for high-skill, high-wage, or high demand occupations
F	N		Sep-22	5 months	Joint Council of Librarians of Color	\$ 2,495	Fund an employee to attend the Joint Conference of Libraries of Color
S	N	TWC	Sep-22	1 year	TWC-Jobs and Education for Texans - HVAC	\$ 332,365	Cost Share: \$17,493 HVAC -Equipment purchase
Total						\$ 1,411,711	

Typically, the budget detail is submitted to the Grant Accounting Staff by the Grant Program Director. This detail is reviewed to ensure the system account elements agree with the awarded budget detail. This is entered into Workday Finance by Grant Accounting Staff and approved electronically by the Controller. Roles and appropriate Worktags are established at the time the grant are set up. Roles dictate who will be approving grant transactions. Approvals go to the principal investigator, grant manager, and award contract specialist (grant accounting staff). Workday business processes and custom validations specific to grants control when and to whom transactions will be routed to approvers.

11.5 Financial Reporting

With few exceptions, agencies or organizations sponsoring projects require some form of financial reporting. Reporting requirements vary in frequency, format, due dates and detail. Grant Accounting Staff must comply with all financial reporting requirements once a grant or contract is accepted.

Some sponsors require interim reports, such as monthly or quarterly, for purposes of tracking the financial status of the project and for handling reimbursements due the District. Grant Accounting Staff normally prepares these interim reports without requiring input from the Principal Investigator or department unless matching is involved. The terms of the agreement will govern how frequently matching information must be gathered.

The District is required to submit a final report of expenditures generally no later than 120 calendar days after the termination date of an award. All authorized expenditures and

outstanding obligations must be determined and resolved prior to preparation of this report. Accurate, timely and complete input from the Principal Investigator and department is essential to complete this report. Below is more detail on the financial reports and reimbursement request/drawdowns for several agencies:

11.5.1 Department of Education

Funds that are awarded by Department of Education are requested using G5.gov. The Grant Accountants are authorized to request funds and issue refunds in G5. A draw down spreadsheet will be prepared for monthly expenditures along with backups for each individual grant. Backup documents contain monthly Award Budget to Actual reports, Journal Details, Financial Aid reports, etc.

11.5 2 Department of Commerce

Financial Status Report (Form SF-425) is due on a semi-annual basis for the periods ending March 31 and September 30. Access to Department of Commerce website is granted by the Principal Investigator. <https://grantsonline.rdc.noaa.gov/flows/home/Login/LoginController.jsp>

All submissions or requests regarding Department of Commerce awards are submitted through the website. Funds may be requested as often as needed. The District only requests funds on a reimbursement basis after the month end and reconciliation process. The monthly reconciliation and drawdown is reviewed and approved by the Grant Accounting Manager and Associate Vice President/Controller.

11.5.3 National Science Foundation Drawdowns

Access to the National Science Foundation's website at <http://www.research.gov> is granted by Executive Vice President. All submissions or requests regarding National Science Foundation awards are submitted through the website. Funds may be requested as often as needed. The District only requests funds on a reimbursement basis after the month end and reconciliation process. Funds are requested using the Award Cash Management Service (ACMS) found at <http://www.research.gov>. The monthly reconciliation and drawdown are reviewed and approved by the Grant Accounting Manager and Associate Vice President/Controller.

11.5.4 Skills Development Grants

Skills Development Grants are reconciled monthly. Throughout the month, the department coordinator for the grant will provide numbered vouchers (specific to this grant) to the Grant Accounting Staff for processing. The vouchers are delivered to the Grant Accountant by email. The Grant Accountant should print a copy and date-stamp upon receipt. After reviewing for accuracy, the voucher is initialed by the Grant Accountant.

A monthly on-line expenditure report is completed and is due by the 20th of the following month. The report is accessed at <https://apps.twc.state.tx.us/CASHDRAW/dispatcher>. Cash drawdown is completed after the monthly close and reconciliation is complete. The monthly reconciliation and drawdown are reviewed and approved by the Grant Accounting Manager and Associate Vice President/Controller.

11.5.5 Small Business Development Center

The Small Business Development Center funds are reconciled monthly. A quarterly report is created summarizing the data by federal, matching, state and program income. The report is

due within fifteen days of the end of each quarter (01/15, 04/15, 07/15 and 10/15). Submit a copy to the Director of SBDC at CCCCDC for his/her review and signature. Then, forward to the Associate Vice President /Controller for signature and email to Dallas County Community College District (DCCCD).

11.5.6 Texas Higher Education Coordinating Board Grants (THECB)

THECB grants are reconciled monthly and reported online to the THECB <https://www1.thecb.state.tx.us/apps/perkins/perkins2007/> Access to the THECB website is provided by the Principal Investigator. To submit all financial reports and amendments, a Financial Identification Number is required and has been provided to a designated financial individual at the college. Cumulative financial data is submitted monthly. Funds should be requested through the THECB portal or via invoice at most once per month and at least once per quarter. The data submitted is reviewed by the Grant Accounting Manager and the Associate Vice President/Controller.

11.6 Indirect Cost (IDC)

Indirect (F&A) costs refers to those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish several pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. 2 CFR 200.414

Items of costs such as salaries of administrative and clerical staff, office supplies, postage and local telephone are normally treated as indirect costs. However, for special purposes and circumstances, costs that are normally indirect may be directly charged.

Indirect cost rate proposal means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs) through Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals of this part, and Appendix IX to Part 200—Hospital Cost Principles. 2 CFR 200.57

Each time a new rate is negotiated between the District and the Department of Health and Human Services (DHHS), a letter is received advising the District of the agreed-upon rate as well as the due date for the next proposal. The IDC rate is normally in place for three to four years before being renegotiated. The current IDC agreement's effective date is from 2020-2024 and is based on using the modified total direct costs method.

Exhibit 11.6.B Indirect Cost Rate Agreement.2020-2024

11.7 New Award/Grant Set Up

For most grants and contracts, the date to begin activity is after the receipt of the official notification of grant award (NOGA) from the sponsor. No charges are to be made against existing accounts except permanent charges. Furthermore, Pre-Award Costs cannot be incurred in advance of the effective date of the award unless the exception is specifically recognized, defined and authorized by the award agreement. The official notification is in the form of electronic notification or a mailed or faxed officially signed document. Upon receipt of a

formal notice of award, Grant Accounting reviews the details of the award and assigns a grant with related Worktags to the Award.

The Grant code is a four-digit number in the GRXXXX series. The last 4 digits are unique to the grant award. After the grant has been created, create an award as a “parent” record to the grant. The system will generate a six-digit award code in the series AW-XXXXXX. Grants are assigned to the restricted fund, FD200.

The Principal Investigator or Assistant Director of Grants Management sends a budget breakdown by ledger accounts and a name list of roles to Grant Accounting Office. Once the new award setup is complete Grant Accounting Office will notify the Principal Investigator via e-mail of the grant number and other pertinent information. [JB1] The grant and budget are entered into Workday by the Grant Accountant and approved electronically by the Grant Accounting Manager. [JB2] The Grant Accountant will send a copy of the Grants Management Handbook to the Principal Investigator and review it with them and their staff if needed.

11.8 Time and Effort Reporting

Office of Management and Budget Circular 2 CFR, Part 200.430 - Compensation, personal services require “non-Federal entity’s system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated effort.” (viii (C)). These reports should reasonably reflect the activity for which employees are compensated and encompass all activities.

Each month, the grant manager initiates the effort certification process after Payroll processes the payroll transactions. Effort certifications are generated by Workday for each full-time employee being paid with grant funds. These certifications are then sent to the employees for review. The effort certification details the percentages of all their activities during the pay period, accounting for 100% of their time. If employees agree with the effort certification, they will certify and submit the certification to the principal investigator. After the principal investigator approves the certification, the effort certification will go back to the grant manager.

If the employee’s actual percentage of time is different from the percentage of time listed in the time and effort certification, the employee should change the percentage before certifying the report. After the effort certification process is completed, a payroll accounting adjustment is automatically generated by Workday for the grant manager to submit. This transaction will then be sent to the award contract manager or budget specialist for approval.

Sometimes, the grant accountant will need to manually create a payroll accounting adjustment after-the-fact, due to a request from the departments. This transaction will also go to the award contract manager or the budget specialist for approval. After the approval process is completed, the grant manager will cancel the old effort certification and in order to generate a new one with the updated time and effort numbers.

The effort certifications are available in Workday for the grant accountant to retrieve, review, or report.

11.9 Accrued Liabilities

The District makes every attempt to account for and record all obligations incurred for federal, state and local grants for which goods and services have been received, but invoice payment has not been made at year end. Any obligations presented after the final report of expenditures

has been filed must be paid from a source other than grant or contract funds unless approved by the granting agency.

11.10 Award Close Out

Approximately 60 days prior to the termination date of a grant or contract the Grant Accountant performs a review of the award status with the Principal Investigator to determine if a request for a No Cost Extension should be, or has been, filed.

Review grant agency requirements and OMB requirements 2 CFR 200.344 – Closeout.

Review more detailed close-out information in the Grants Management Handbook.

Review close-out requirements per the grant agency.

All expenditures must be finalized for the budget period and any problems associated with the grant must be corrected so that the final report of expenditures may be completed with minimum complication.

Confirm the date all final paperwork is due.

Prepare final summary as required by the grant or contract.

11.11 Fiscal Year End Audit

The Grants Accounting Manager is responsible for preparing the Schedule of Expenditure of Federal Awards and Notes and the Schedule of Expenditures of State Awards and Notes for the District's Annual Comprehensive Financial Report (ACFR) and providing any data or reports requested from the external auditors.

12. Payroll and Benefits

The Payroll staff is responsible for the accurate and timely production of payroll, ensuring compliance with federal and state laws, and District policies.

12.1 Common terms unique to payroll procedures

- **Workday Time Tracking:** web entry time keeping system-for all employees to request leave and non-exempt employees to record time worked
- **Faculty load:** method of tracking teaching assignments used to generate faculty contracts, create payroll assignments, and to pay faculty accurately. It is a tool to monitor and ensure District policies on pay and workload are accurately implemented.
- **Deductions:** Monies deducted from an employee's gross pay.
- **Benefits:** Monies paid by the State or District.
- **Payroll Accounting Adjustments:** Adjustments made to move salary expense from one cost center/grant to another after payroll has been final.
- **Tax-sheltered annuities:** retirement annuities purchased by an employee through a payroll deduction. Some have a college match, ex. 403B
- **Non-exempt employee:** employees required to record hours worked each day, who are compensated at 1.5 times the hours worked for hours worked over forty (40) hours per week. Compensation may be in the form of compensatory or "comp" time, but can be in the form of paid wages.
- **Exempt employee:** employees held accountable for accomplishing responsibilities of their position and salary is not based on number of hours worked
- **Payroll Cutoff:** Firm deadline for all HR pay changes, additions, and reductions, to be approved in Workday in order for them to pull into the payroll processing cycle for the current pay period.
- **Lag Pay:** Pay for student and part time staff for hours worked up to the current lag period cutoff (typically around the mid-point of the current month).

12.2 Workday Time Tracking

12.2.1 Time Entry

Nonexempt employees may clock in online or on the mobile app upon arrival at work and clock out at the end of the day. Employees must clock out for lunch. Employees must submit their weekly time by Monday of the following week by noon. Supervisors review and approve employees' weekly time by Tuesday of the following week by noon. Exempt employees are not required to clock in to the Workday Time Tracking system to document hours worked, since pay is based on accomplishing responsibilities, not hours worked.

12.2.2 Absence Request

All employees are required to request leave through the Workday Absence calendar, which is subsequently approved by the employees' manager.

12.2.3 Review

Each week payroll runs Mass Submit Time for all employees that have not submitted their time to the supervisor. This moves the employees time to the supervisor for approval.

Each week once the Mass Submit Time has processed Payroll runs the Mass Advance Business Process to approve any time not approved by the supervisor.

For completeness and accuracy, payroll reviews all time and leave entered from the following time reports:

- Less than 40 hours entered – this is to ensure the employee has 40 hours, and if not, employee is notified to either enter time or time off, whichever is needed
- Unmatched time entries
- Incomplete time blocks

12.2.4 Overtime and Compensatory Time

Employees are required to have some combination of worked hours and leave totaling forty (40) hours each week. Hours worked in excess of 40 hours are eligible to be paid at 1.5 times hours worked over 40 in a week. Overtime can only be earned on worked hours, not leave time. Compensation may be in the form of compensatory or “comp” time, but can be in the form of paid wages. The Non-exempt employee will need to request “convert OT to Comp calculation” and the manager will have to approve this. If the manager does not approve this it will process as OT.

Overtime is not accrued on leave, and comp time cannot be earned and taken in the same week. After all exceptions are resolved, the week’s payroll cycle is closed by Payroll.

12.2.5 Payroll Calendar

Payroll publishes a calendar annually listing the pay period and cutoff dates for each month. Payroll is processed for all overtime and/or “comp” time as well as leave when approved by manager, even if after the cutoff date. If Leave taken and overtime/comp time earned is not approved until after the cutoff period, it is reflected in the following month’s pay. Workday Time Tracking and Time Offs are real time, therefore are updated as used or earned.

12.2.6 Accruals

Accruals for sick leave and vacation are earned as of the end of each month after the payroll is final for the month.

12.3 Payroll Processing

Payroll is responsible for processing a Task in Workday that assigns the pay group to the employee and then we have a consolidated approval of the overall hire.

Payroll also receives a Task for Direct Deposit and Federal Tax Election to be approved.

Any data entry needed for corrections that can’t be done through the business process, will be keyed manually the system by Payroll employees and reviewed by another payroll employee. If any errors are found they are discussed and corrected.

Before the payroll is completed Payroll, staff will run the Fix Operational Journals with Errors and Create Payroll Commitment Adjustments. Staff will fix any errors on the journal and the Budget approves the Payroll Commitments before proceeding.

With the commitments being created and approved, once payroll finals, all payroll transactions post to Finance to either the payables ledgers for liabilities or salaries/benefits ledgers to cost center and/or grants for payroll expenses.

12.4 Faculty Load

All faculty teaching and nonteaching assignments are entered on faculty load through the division. Division Deans, Vice-Presidents/Provosts, faculty and HR reviews faculty load for accuracy, appropriateness, and completeness before Payroll processes payroll. Specific guidelines for entering faculty load in FLAC inside Banner are documented in the Faculty Load Guidelines Manual, which is updated every fiscal year by HR and located on the HR webpage <https://www.collin.edu/hr/hrcompensation/> Faculty load is prepared for Fall, Spring, and Summer semesters. Flex classes processed through faculty load are designated by changing process flags to “Y” for classes that are not 16-weeks long with normal census dates.

12.5 Payroll Accounting Adjustments

Payroll Accounting Adjustments are necessary when salaries are charged to one cost center, but should have been charged to another. Typically, a Department will notify Payroll or Budget when a salary is charged to the incorrect cost center. A correction is made in Workday which is then fed to Finance. Corrections for labor distribution must be made for each month the salary was charged to the wrong cost center. In addition to making a correction for the prior periods the employee’s salary expense was charged to the incorrect cost center, Payroll, budget, or grant staff updates the employee’s costing allocation to ensure the correct cost center is charged for future periods. Grant related payroll accounting adjustments are made by the grant accounting staff.

12.6 Processing Benefits

Benefits and Deductions are maintained and any corrections needed are all done by HR Benefits.

12.7 Self Service

Through Workday Self-Service Pay worklet, employees are able to view their pay slips and view/edit the following:

- Pay Elections (depository information)
- Withholding Elections (W4)

12.8 Payroll Payables

After payroll is finalized for the month, the Payroll staff runs integrations and reports to balance all processes payables for deductions made from employees’ pay and for benefits paid for employees. Once payroll has completed their audit and balanced they are handed off to the accountants who do their own audit. Once everything is completed on both sides payroll then sends the files and money to each vendor.

ADP is a 3rd party vendor that processes the District's Federal tax withholding, Medicare, Levies and Child Support. Payroll balances all accounts before syncing with ADP to ensure accuracy.

Payroll is responsible for preparing and submitting the TRS file(s) through TEAMS portal to TRS each month. These files contain both demographic and financial information. The amount paid to TRS for the employee and employer portion is statutorily determined each year. Monthly deposits are remitted to TRS through electronic transfers (TEXNET).

12.9 On Demand Pay Request

On Demand Pay Request are issued for vacation payoffs and Faculty pay outs when an employee terminates employment with the District.

Vacation payoffs are always issued after the month in which the employee terminates employment.

Faculty pay outs are what is owed the Faculty member from the contract that they sign when they are hired at Collin. Since we are paid over 12 months (Sep to Aug) if they leave before August then they need to be paid in full because they are contracted for 170days or work for the year. These payments are issued the month they terminate if the termination and payout worksheet is completed in time for processing; otherwise it will be the following month.

An OnDemand Pay Request form must be submitted for pay and be accompanied by written justification and authorized by employee's supervisor, dean, and appropriate vice president, or provost.

Exhibit 12.9.A On Demand Payment Request

12.10 Direct Deposits

Employees receive their paychecks by a direct deposit to their bank account(s).

New employees complete the Direct Deposit as they go through onboarding process in Workday. The employee's first paycheck can be paper or DD depending on the time of the month they start and when they finish their onboarding documents. Subsequent checks are direct deposits once the information is verified by the system.

12.11 Taxes

The District is subject to the \$100,000 one-day deposit rule as described in the IRS Employers Tax Guide, Circular E. This reference guide is maintained by Payroll. Taxes owed for federal withholding, and Medicare are deposited through Workday to the ADP system and the funds are withdrawn from the bank by an ACH withdrawal. The 941 quarterly report is prepared by ADP and sent on Collins behalf.

12.12 Year End Processes

12.12.1 Calendar Year End

The W-2 generating process is run prior to January 31 in Workday and sent to ADP for processing and mailing. The totals are reconciled to the 941 quarterly reports for the year, January 1 through December 31. ADP prints and mails the W-2's and are made available for view and/or download on the ADP website.

The W-2s are required by Federal law to be mailed out or made available by January 31 to all employees. The W-2 file is sent electronically by ADP, with a Wage File Identifier to SSA.

12.12.2 Fiscal Year End

Vacation Accrual

As part of the fiscal year end process, the Payroll staff runs a vacation accrual report in order for accounting to record a vacation accrual for the fiscal year. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10-day maximum allowed for unused vacation carried over from the prior year.

Payroll Accrual

A calculation to determine an accrual for pay earned, not yet processed for part time employees at year end must be done by running the report Payroll Accounting by Company/Period.

13. Budget

The District annually prepares a budget that includes operation, grant and project budgets. The budget is a detailed financial plan reflecting the finances required to support instructional programs, student programs, and support services. In general, budgets are the mechanism by which an organization allocates the resources necessary to accomplish its mission in a given time frame. The core values of the District are also considered during the budget development process. The budget furthermore serves as a control mechanism to match revenues to expenditures and prevent financial deficits. The budget is developed with major consideration given to the strategic goals of the District and the priorities established by the Board of Trustees.

The budget is a key tool for helping the Board of Trustees and Administrators make informed decisions regarding provision of services and expenditures for capital assets in order to accomplish the mission of the District. The process of developing and preparing the budget involves employees from across the District looking at the long-term perspectives, organizational goals, outcomes, assessments and improvement strategies.

13.1 Legal Requirements

Each community college district in Texas is required, by law, to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The Board of Trustees Policy Manual Sections CC(Legal) and CC(Local) describe requirements for the date of adoption of the budget, required hearings on the budget, etc. The budget is prepared on the modified accrual basis of accounting and the District's Board of Trustees must adopt the budget. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library and the Governor's Office of Budget and Planning by December 1.

Legal requirements regarding budget adoption as it relates to tax assessments are located in the Texas Comptroller's Truth-in-Taxation Manual published by the State Comptroller.

At the August Board meeting the agenda items for the proposed budget and the new year tax rate must be presented in the following order:

- Approval of the 20xx Calculated Effective Tax Rate and Rollback Rate
- Presentation of the Proposed 20xx-xx Budget
- Public Hearing on the Proposed 20xx-xx Budget
- Approval of the 20xx-x Budget
- Approval of Resolution Setting 20xx Tax Rate

13.2 Budget Development

13.2.1 Timelines

The budget process begins in February with initial allocation calculations and ends in August when the Board of Trustees approves the proposed budget. The budget development process follows the Annual Budget Calendar and the Detailed Budget Timeline.

Exhibit 13.2.A Annual Budget Calendar

Exhibit 13.2.B Detailed Budget Timeline

13.2.2 Budget Allocations

The budget process begins in February when budget allocations are prepared based on budgets from the prior years with reductions for non-recurring expenditures and budgets for roll-over encumbrances. Salaries are also removed from the allocation and are budgeted by the Budget Office. If necessary, due to financial constraints, allocations may be lowered. The allocations are distributed by the Leadership Team or the Budget Office to Cost Center managers in March.

13.2.3 Budget Development Training

Budget development training workshops are held for staff responsible for inputting the budget into the financial system and running reports for management.

13.2.4 Salaries

Cost Center managers are sent a list of full-time employees to review for accuracy and make any adjustments for vacant positions. The Budget Office is responsible for compiling all approved employee listings and projecting the budget for full-time employee accounts, including employee benefits. The Budget Office is also responsible for budgeting part-time employee accounts, overtime and student assistants.

13.2.5 Supplemental Requests

Cost Center managers must submit a supplemental request listing for capital items, personnel and additional funding which cannot be funded by the Cost Center's initial budget allocation. The Cost Center managers must be prepared to justify their requests and provide additional documentation at the Leadership Budget Meetings.

13.2.6 Accounts Budgeted by the Budget Office

The Budget Office is responsible for determining the proposed budget for the following:

- All revenue accounts including state appropriations, taxes, tuition and fees, investment income, contracts and grants and other miscellaneous revenue sources
- Expenses for the debt service fund, building fund and grant fund
- Full and part-time salaries and benefits
- Reserves
- Mandatory and non-mandatory transfers
- Utilities
- Insurance
- Legal fees

The Budget Office also budgets for Auxiliary and CE with assistance from the Cost Center managers.

13.3 Leadership Budget Meetings

Leadership Budget meetings are held in May each year. The initial draft of the budget is distributed to the Leadership Team prior to the budget meetings. Supplemental requests for capital items, personnel and additional funding are included in the draft. During the meetings, the Leadership Team may request Cost Center managers explain their budget, including justification for supplemental requests for capital items, personnel, and additional funding over and above the original allocation. References to the goals of the Master Plan are used to justify the budget proposals. The Leadership Team reviews and approves the proposed budgets and funding requests during these hearings.

13.4 Budget Approval

The District Vice President of Administrative Services/CFO presents the preliminary budget to the Finance & Budget Committee of the District during a called meeting of the committee in July. The Committee reviews the budget and presents any questions or comments to the District Vice President of Administrative Services/CFO. Final changes are made to the proposed budget based on recommendations made by the Board Committee. The Finance & Budget Committee recommends the proposed budget for approval by the Board of Trustees at the August meeting. Once approved by the Board of Trustees, the final budget is distributed to the Cost Center Managers and various external entities.

13.5 Budget Monitoring

The approved budget is monitored throughout the year by the Budget Office and Cost Center managers. The Budget Office reviews and adjusts budget variances as needed. The District Vice President of Administrative Services/CFO presents monthly reports to the Board of Trustees comparing actual results to budgeted amounts and addresses any variances. A report detailing account actual and budget balances is available to Cost Center managers in Workday. Cost Center managers are responsible for reviewing their budgets at least monthly to determine all transactions posted to their Cost Centers are accurate. Any accounts over budget need to be reviewed and a budget amendment entered to transfer funds to cover the deficit.

13.6 Budget Amendments

Budget amendments are entered by Cost Center managers to transfer funds to cover account deficits. All budget amendments entered by Cost Center managers are approved by the Budget Office. The Grant Accounting department approves all grant budget amendments. Any budget amendments entered by the Budget Office are approved by another member of the Budget Office.

13.7 Budget Controls

Workday includes several system controls to ensure expenditures do not exceed the approved budget.

- A Workday business process verifies each cost center has sufficient budget remaining to cover requisitions and invoices when entered.
- A requestor can request a budget override for requisitions and invoices failing the budget check process. The override must be approved by the Budget Office. An override may be needed when a requisition or invoice crosses fiscal years.

- All Workday budget amendments must be approved by a cost center manager and the Budget Office.
- The Budget Office is included in several HR business processes. New hires and salary increases are reviewed for budget approval and to determine if funds need to be moved from any approved salary reserves.
- Commitment accounting is used in Workday for all full-time staff salaries.
- Commitment accounting is used for all pending requisitions and approved purchase orders.

14. Purchasing

Our mission is to provide guidance and leadership to District educators, staff and administrators by working with the supplier community in the procurement of high-quality goods and services, while ensuring compliance with state and federal laws, Board policies, and administrative requirements. The Purchasing Department strives to provide systems and procedures that will make the procurement process more efficient, cost effective and user friendly. We are committed to maximizing the tax payer's dollar while maintaining the highest standards of ethics, integrity, public trust and transparency.

14.1 General Functions and Responsibilities

More information on the Purchasing Department can be found at www.collin.edu/purchasing.

14.2 Responsibility for Purchasing

- The District has centralized the purchasing process, which requires the Purchasing Department to place all orders for all campuses and all departments.
- The Purchasing Department has sole responsibility and authority for procurement, except in those instances where the authority for limited purchases is previously delegated.
 - If an individual obtains merchandise in a manner that does not follow established procedures, that individual:
 - enters into a private transaction with the vendor; and
 - assumes responsibility for payment.
- Consolidates requirements, when feasible, for greater economy.
- Analyzes lease versus purchase alternatives which provide the best value to the District.
- Determines the method of purchase that provides the best value for the District. Methods include, but are not limited to, Request for Quotes, Competitive Sealed Proposals (CSP), Invitation to Bid (ITB), Request for Proposal (RFP), Request for Qualifications (RFQ), Request for Information (RFI), Sole Source purchase, Emergency purchase and Cooperative purchase.

Exhibit 14.2.A Selecting the Procurement Method

Types of Solicitations

Note: Construction may have different opening procedure. See Government Code 2269.

Quote or Informal Bid	Solicitation for goods or services under the statutory sealed bid limit. Does not require advertising. Awarded to the lowest responsible bidder or bidder providing best value. This method will be used by departments for needs under \$50,000. Best used when price is the deciding factor.	Opening Procedure: Does not have to be publicly opened.
RFQ – Request for Qualifications	Request for demonstrated competence and qualifications, usually but not limited to statutory professional services. The RFQ process gives the opportunity to select the firm that best meets the using department’s needs without price being the deciding factor in the initial phase of the selection process.	Opening Procedure: Does not have to be publicly opened. Release only names.
CSP – Competitive Sealed Proposal	The district should select the offeror that offers the best value for the district based on the published selection criteria and its ranking evaluation. The district should first attempt to negotiate a contract with the selected offeror. The district may discuss with the selected offeror options for a scope or time modification and any price change associated with the modification. If the district is unable to negotiate a satisfactory contract with the selected offeror, the district should end negotiations with that offeror, formally and in writing, and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.	Opening Procedure: The district should receive, publicly open, and read aloud the names of the offerors, and all prices stated in each proposal, if any are required to be stated. The district should evaluate and rank each proposal submitted in relation to the published selection criteria no later than the 45th day after the date on which the proposals are opened.
RFI – Request for Information	A research tool for gathering information when the requirements/specifications cannot be clearly identified. Would not be used as a basis for award.	This is not a solicitation process. Specifying a closing time and date is optional but will assist in obtaining information within a specified timeframe.

RFP – Request for Proposal	<p>A request for proposals (RFP) is a part of the competitive sealed proposal process. (RFP can also refer to an alternative purchasing method authorized by the TEC, 44.031(a), and is further explained below.) RFP is the mechanism that generates the receipt of competitive sealed proposals and should contain the following key elements: • newspaper advertisement • notice to proposers • standard terms and conditions • special terms and conditions • scope of work • scope and intent • definitions and applicable documents • requirements • quality assurance • acknowledgment form/response sheet • felony conviction notice • contract clause</p> <p>Some differences between RFP as an alternative purchasing method, competitive bidding, and competitive sealed proposals include the following: • An RFP is not required by law to be sealed. That is, a district may begin negotiating with a proposer upon receipt of the proposal, rather than waiting until the opening time specified in a competitive sealed proposal solicitation. • An RFP may be used where a district's requirements are less narrowly defined. • A competitive sealed proposal must be used when awarding a construction contract. • A competitive procurement limit summary is identical to competitive bidding. • A newspaper advertisement is identical to competitive bidding. • A notice to proposers is identical to competitive bidding. • There must be impartiality and equal access and opportunity to competitive bidding.</p>	Opening Procedure: Publicly opened and read aloud only the names.
ITB – Invitation to Bid - Formal	<p>A solicitation method that must be submitted in a sealed manner and in conformance with a prescribed format, to be received and opened on a specific date and at a specified time. Awarded to the lowest responsible bidder or bidder providing best value. Formal bids must be used for purchases greater than \$50,000 and have specific advertising requirements.</p> <ul style="list-style-type: none"> • Bids are considered best and final, neither negotiations nor changes are allowed by either party • Pricing offered is firm and fixed for the term of the agreement. • Best used when very specific requirements can be communicated (brand name or equal) and when price is the main deciding factor 	Opening Procedure: Publicly opened and read aloud.
Alternative Construction Delivery Methods	Legislation has created separate statutes for construction, repair, or renovation of a facility. Please refer to the Public Works section of this manual for details. (GC 2269)	Opening Procedure: Varies depending on which construction method chosen.
Bid	Term usually meaning an ITB but can be used interchangeably with all of the above. Be specific about the solicitation method requested.	

14.3 General Operating Procedures

The District purchases all materials, equipment and services in accordance with state statutes and board policy on a competitive basis, except that the Purchasing Department may make small or emergency purchases without issuing solicitations for bids, proposals or quotations.

The Purchasing Department strives to award competitive solicitations and have term contracts established and available for District departments to use on an as needed basis for those goods and services that annually exceed competitive bidding thresholds and Board approval amounts.

When making purchases, the Purchasing Department strictly adheres to requirements set forth in the Texas Education Code, Subchapter B, Section 44.031

<http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.44.htm#44.031> , Collin College Board Policy CF (LOCAL) and other state, federal and local rules as applicable. CF (LOCAL) can be found here: [https://pol.tasb.org/Policy/Download/304?filename=CF\(LOCAL\).pdf](https://pol.tasb.org/Policy/Download/304?filename=CF(LOCAL).pdf).

Awards are generally made on the basis of the bidder whose response to the solicitation provides the best value for the District. In determining to whom to award a contract, the District shall consider the following in accordance with 44.031:

- The purchase price;
- The reputation of the vendor and of the vendor's goods or services;
- The quality of the vendor's goods or services;
- The extent to which the goods or services meet the District's needs;
- The vendor's past relationship with the District (documentation of past problems and efforts to cure any problems must be present before recommending non-award);
- The impact on the ability of the District to comply with laws and rules relating to historically underutilized businesses;
- The total long-term cost to the District to acquire the vendor's goods or services;
- For a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
 - Has its principal place of business in this state; or
 - Employs at least 500 persons in this state; and
- Any other relevant factor specifically listed in the request for bids or proposals.

The District purchasing procedures ensure open and free competition among all bidders.

The District purchasing procedures ensure that all prospective vendors are treated equally.

The Purchasing Department provides a means for prospective vendors to register electronically to receive notification of solicitation opportunities via e-mail, based on the commodity codes selected by the vendor's representative.

The Purchasing Department currently uses an electronic solution for all competitive solicitations.

Exhibit 14.3.B Receipt of Electronic Sealed Bids or Proposals

The Purchasing Department provides links on the District's Purchasing Internet page to the electronic bidding site where vendors can register, view current solicitation opportunities, view tabulations and view awarded solicitation information. Links to instructions on "How to Register" and "How to Submit a Bid Online" are also available on the District's Purchasing Internet page.

Vendors can view, download, respond to and submit responses to solicitations online.

Vendors are ultimately responsible for maintaining their own vendor profile online. Failure to maintain their profile could result in missed opportunities to bid on District opportunities. The third-party provider of the electronic bidding system automatically processes emails that result in a permanent bounce or emails marking messages as spam.

The District prefers that all responses be submitted online but continues to accept manual responses for solicitations over \$50,000. Faxed or emailed responses for solicitations requiring a sealed response are not acceptable and will not be considered.

The District encourages participation in the solicitation process by small, minority, veteran and female-owned businesses. The District does not discriminate on the basis of race, color, religion, gender, national origin, age, disability or veteran status.

As stewards of the taxpayers' dollars, it is our duty as public procurement professionals to ensure that the procurement process remains independent, free of obligation or suspicion, and completely fair and impartial. The following Code of Ethics has been created for use by Collin College Purchasing and Contracts. The Code governs all transactions and business relationships, internal and external, when procuring goods and services utilizing public funds.

- To give first consideration to the objectives and policies of the District.
- Strive to obtain the best value for each dollar expenditure.
- To conduct ourselves with fairness and dignity and to demand honesty and truth in the procurement process.
- Grant all competitive suppliers' equal consideration insofar as state or federal statute and institutional policy permit.
- Notify the Director of Purchasing and Contracts and remove him/herself from any procurement in which the employee or employee's immediate family member has a financial interest pertaining to the procurement.
- Decline personal gifts or gratuities.
- Encourage participation of historically underutilized businesses in the procurement process.
- Foster fair, ethical and legal trade practices.
- Honor our obligations and require that obligations to the District be honored.
- Handle confidential or proprietary information with due care and proper consideration. Receive consent of originator of confidential information or proprietary ideas and designs before using them for competitive purchasing purposes.
- Make every reasonable effort to negotiate an equitable settlement of any controversy with a supplier.
- Cooperate with trade, industrial and professional associations and with governmental and private agencies for the purposes of promoting and developing sound business methods.

Quiet Period: Prior to submittal and during the period between submittal submission date and the executed contract award, Bidders, including their agents and representatives, shall not directly discuss or promote their submittal with any member of the District Board of Trustees, District staff, their agents or representatives except in the course of District- sponsored inquiries, briefings, interviews, or presentation, unless requested by the District. This provision is not meant to preclude Respondents from discussing other matters with Board members or District staff. This policy is intended to create a level playing field for all potential Bidders, assure that contract decisions are made in public, and to protect the integrity of the solicitation process. Violation of this provision may result in rejection of the Respondent's submittal.

Separate, sequential and component purchases to avoid competitive bidding requirements are considered unauthorized purchases and are disallowed. Violation of purchasing procedures may result in legal action taken against the individual(s) involved in accordance with Texas Education Code 44.032: <https://statutes.capitol.texas.gov/Docs/ED/htm/ED.44.htm#44.032> .

- The District reserves the right:
 - to waive any formalities or technicalities; and
 - to accept or reject any or all bids in whole or in part; and
 - to award by line item, section or in whole as deemed in the best interest of the District.

14.4 Tax Exempt Status

- The District is exempt from federal, state, and city taxes except in certain cases.
- The Purchasing Department furnishes a tax exemption certificate to all new vendors upon request.

14.5 Classification of Purchase Transactions

The Purchasing Department has divided purchase transactions into classifications and established methods of securing solicitations and making awards proportionate to the value involved. The purchase of services, as well as goods, falls under this policy. Purchases under \$100,000 do not require Board approval. Aggregate spend thresholds are determined based on fiscal year and District-wide spend. For purchases that are not being made under an existing annual contract established by the Purchasing Department, the following requirements must be adhered to:

- Less than \$10,000 requesting department obtains one current price quote to establish price for requisition.
- \$10,000 – 49,999.99– Three (3) written price quotes must be attached to the requisition in Workday. Quotes may be obtained by the Requesting Department or the Purchasing Department. Supplier's providing a written "No Bid" is considered a quote.
 - A quote form containing all of the information that is requested of the vendors to assist in acquiring quotes.
 - The Requesting Department should attach a copy of the quote form or copies of written quotes received from the vendors to their requisition in Workday for backup. Phone, fax and e-mail quotes are acceptable, but it is recommended that the quotes be in writing from the vendor. Requisitions received without proper documentation will be returned to the requestor by the Purchasing Department.

- If pricing is obtained from a cooperative purchasing contract, as listed in this manual, then only one quote based on the cooperative contract pricing is necessary but the quote attached to the requisition must reference the cooperative contract number. The vendor should be able to provide this number on their quotation. Purchasing will verify the existence of the contract and verify the contract expiration dates. Multiple quotes from cooperative purchasing vendors are encouraged.
- The Requesting Department should verify any pricing obtained from a website and also verify that the company will accept a purchase order. Many times, the District will be provided discounted pricing from pricing shown on a public website, so requestors should always contact the vendor and ask for a written quote.
- All purchases \$50,000 and over - Purchasing solicits formal bids, proposals or requests for qualifications.
 - District contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method, of the following methods, that provides the best value for the District:
 - competitive bidding for services other than construction services;
 - competitive sealed proposals for services other than construction services;
 - a request for proposals, for services other than construction services;
 - an interlocal contract;
 - a method provided by Chapter 2269, Government Code, for construction services;
 - the reverse auction procedure as defined by Section 2155.062(d), Government Code; or
 - the formation of a political subdivision corporation under Section 304.001, Local Government Code.
 - For the 12-month period indicated above, the spend is determined based on the fiscal year.
 - All expenditures of \$100,000 or more during a 12-month period must have Board approval before a requisition can be processed. The Purchasing Department submits a list of annual contracts being procured through a cooperative contract, sole source, or a method exempt from competitive bidding, which are expected to exceed \$100,000 during the fiscal year, to the Board of Trustees in August for approval.
 - Board meetings are generally held the fourth Tuesday of each month with the exception of July and November. The December meeting is usually scheduled early due to the holidays. In determining timelines for order processing and Board approval, see the Procurement Planning document .

Exhibit 14.5.B.1 Procurement Planning

- Cabinet members are typically listed as the resource personnel for questions during the Board meetings, but it is recommended that a department representative attend the Board meeting to answer any questions pertaining to the purchase that the cabinet member cannot answer.
- Change orders for purchases that exceed the Board approved amount must have Board approval before the change order will be processed and any deliverables under the change order shall not commence until after Board approval. If the purchase has previously not exceeded Board approval amount, but will exceed the amount after the change order, the item must be submitted for Board approval before the change order will be processed and any deliverables under the change order shall not commence until after Board approval.
- The Board grants the District President the authority to approve amendments to contracts and purchase requests up to ten percent of the approved amount, not to exceed \$50,000, and to accelerate the timing of spending within the contract when needed to conduct College District business and accomplish strategic priorities in a timely manner. Such amendments and rationale will be reported to the Board.

14.6 Exceptions to Competitive Solicitation Requirements

The District may purchase an item that is available from only one source, including:

- an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
- a film, manuscript, or book;
- a utility service, including electricity, gas, or water; and
- a captive replacement part or component for equipment.
- The exceptions do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000.

14.6.1 Sole Source Purchase

A Sole Source purchase exists when research has determined there is only one potential provider for an item or service. To be a bona fide exemption to the Texas Education Code purchasing law requirements, there must be no other like items available for purchase that would serve the same purpose or function, and only one price for the product because of exclusive distribution or marketing rights. The fact that a particular item is covered by a patent or copyright is but one factor in determining if the purchase falls under the sole source exemption to the purchase requirements. (44.031(j)(1), Texas Education Code <https://statutes.capitol.texas.gov/Docs/ED/htm/ED.44.htm#44.031>).

The purchase of an item/service could be considered a sole source procurement when one of the following circumstances exists:

- Patent, Copyright, Secret Process or Monopoly: Identification and confirmation that competition in providing the item or service to be purchased is precluded by the existence of a patent, copyright, secret process or monopoly. (Not all items or services that have a patent, copyright or secret process are considered sole source. There may be other products that can provide the same purpose and/or function without infringing on the copyright, patent or secret process.)

- Availability/One of a Kind: No competitive product exists or is available from another source.
- Compatibility: Must match or be compatible with an existing piece or brand of equipment and is available from only one source.
- Standardization: Equipment has been standardized to provide consistency in training across the District and the standardized product is only available from one source.
- Educational Discounts: While not a sole source if available elsewhere, an educational discount could be considered a best value procurement if offered by the manufacturer of the product or service provider and no distributors are able to offer the same discounted price. In some cases, the manufacturer may designate one of their distributors to offer educational discounts that no other distributor can offer.
- Investment in Existing Equipment: Often times, the District has made a substantial investment in equipment, from one provider and switching to another provider would cost the District more.

Procedures

- Internet search by product/service
- Internet search of manufacturer's website for resellers/distributors
- Internet search for like product/service
- Communicate with other colleges, universities and/or public agencies to see if they have other sources.
- Check Trade publications
- Call other potential companies to see if they can provide the goods and services. Provide documentation of the company that was called, to whom you spoke with, their phone number, questions that you asked them and the responses that they provided you with.
 - Submit a Sole Source requisition, which can be found in Workday. The requisition will require electronic approval within the system by the Cost Center Manager. The questionnaire must indicate the reason(s) that the item(s) and/or service(s) should be declared a sole source procurement.
 - If available, a Signed Statement should be attached to the sole source justification form in Workday with proper rationale from the "vendor" certifying that one or more of the following conditions exist:
 - The vendor is the manufacturer and is the only source for the item(s) and/or services(s) in question and they hold the production and copyrights to them. Vendor does not sell the item(s) and/or services(s) through distributors.
 - Certification from the manufacturer that the vendor in question holds exclusive distribution rights for the item(s) or service(s).

*Note: Just because a vendor holds production, copy or distribution rights does not mean they are sole source. There could be similar items (or equal), for example a heavy equipment manufacturer has resellers that can only sell the specified equipment in their territory, but you can purchase another manufacturer's product that will perform the same function.

- All sole source requests will be reviewed by the Buyer assigned the requisition. Should there be any question related to the validity of the sole source justification, the Buyer will consult with the Executive Director Procurement Services, Director of Purchasing or the Assistant Director of Purchasing for guidance.
- If it is determined that the justification does not provide sufficient information to support a sole source procurement, the Buyer may ask for additional information from the requestor and/or the vendor.
- If it is determined by the Executive Director Procurement Services, Director of Purchasing or the Assistant Director of Purchasing that there is not enough evidence and/or documentation to support a sole source procurement, then a formal Request for Information (RFI) may be issued to determine if an equivalent is available. If responses to the RFI indicate an equivalent is available, then a competitive solicitation will be issued for the goods or services. "When in doubt, bid it out!"
- In the case of a grant, prior to issuing a competitive solicitation, a request for authorization from the granting agency may be sought and if approved, the competitive solicitation process can be bypassed. Documentation of the approval must be attached to the purchase requisition.
- If the sole source procurement is approved and the goods/services are being funded with Federal funds, then the Buyer, along with the requesting department, shall perform a cost and price analysis. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability. This entails verification of the proposed cost data and evaluation of the specific elements of costs and profits, including comparison with the District's prior independent price estimate. Information on the price paid by similar agencies for the same product or service may be obtained to support cost and price analysis.
- Profit must be separately negotiated in the award of a sole source procurement funded with Federal funds.
- The Buyer, along with the requesting department must negotiate a contract, to the extent practicable, to achieve a contract with the single supplier that is advantageous to the District.
- Sole source documentation is not required for advertising in publications or platforms such as, but not limited to, newspapers, billboards, movie theaters, booster club programs, television or radio.

14.6.2 Cooperative Purchasing Contracts

The District participates in several cooperative purchasing programs that offer volume discounts for items commonly purchased by a number of public entities.

Purchases made using these contracts meet the competitive solicitation requirements set forth by the Texas Education Code.

These contracts are effectively used for smaller dollar purchases where it is not cost effective for the District to issue a solicitation for an annual contract, but can also be used for larger purchases. These contracts can be used to obtain pricing for those items under the \$50,000 threshold. Departments will not be required to obtain multiple quotes.

Each August, a list of the cooperatives that the District is authorized to use will be presented to the Board of Trustees for approval. Additional approvals may be sought throughout the fiscal year, as needed.

Exhibit 14.6.C Cooperative Contracts

14.6.3 Emergency Purchases

Emergency purchases must be entered into Workday and expedited through the approval path by the requesting department.

- It is the department's responsibility to contact all approvers on the approval path to expedite the requisition.
- The department is also responsible for checking the requisition in Workday to determine its approval status.
- Contact Purchasing to advise the emergency status and the requisition number so that when it is received by Purchasing, proper action may be taken.
- If over \$10,000, not covered under a current contract, or multiple quotes have not been received, submit sufficient documentation to justify the emergency.
- T-cards may be used to purchase small dollar emergency goods and services from non-contracted suppliers if needed.

Emergency expenditures are defined as follows:

- To remove hazards
- To protect property
- To protect people
- To alleviate financial loss
- To alleviate operation damage
- To expedite repairs

Emergency expenditures, between \$10,000 - \$49,999.99, are defined as follows:

- If school equipment or a part of a school facility or personal property is destroyed or severely damaged, or as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure and to bid would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment or the part of the school facility may be made by methods other than a bid.
- These purchases must be approved by the Chief Financial Officer.

Emergency expenditures of \$50,000 or more are defined the same as expenditures of \$10,000 - \$49,999.99 above, except approval by the District President is required and ratification of the District President's approval will be reported to the Board.

The Board has delegated to the District President, or designee, the authority to contract without prior Board approval for the replacement, construction, or repair of College District equipment or facilities if emergency replacement, construction, or repair is necessary for the health and safety of College District students and staff in the event of a catastrophe, emergency, or natural disaster.

14.7 Competitive Solicitation Procedures - \$50,00+

Upon receipt of an approved requisition (or verification that funds are available and the procurement is approved by the appropriate cabinet member) and draft specifications have been submitted, the Purchasing Department:

- determines the method of procurement that provides the best value to the District.
- develops the solicitation document.
- prepares the legal notice.
 - Notice of the time by when and place where the solicitations will be received and opened shall be published in the county in which the District's central administrative office is located, once a week for at least two weeks before the deadline for receiving responses to the solicitation. If there is not a newspaper in that county, the advertising shall be published in a newspaper in the county nearest the county seat of the county in which the District's central administrative office is located. In a two-step procurement process, the time and place where the second-step solicitation responses will be received are not required to be published separately. The District utilizes the McKinney Courier Gazette to satisfy the statutory requirement of advertising.
 - Legal Notice shall include:
 - Bid Name and Number
 - Closing Date and Time
 - Location of Bid Opening or link to bid opportunities to view tabulations upon closing
 - Delivery Address for manual responses to solicitations, if different from the location of the Bid Opening
 - The following language needs to be added to the legal notice: Vendors can register to receive District bid notices, view current bid opportunities, download and respond to bids by visiting the District's website at www.collin.edu/purchasing.
 - The following clause: "Collin encourages participation in the solicitation process by small, minority-owned, veteran and female-owned businesses. Collin does not discriminate on the basis of race, color, religion, gender, national origin, age, disability or veteran status."
 - The Purchasing Department determines the commodity code(s) from which to solicit vendors. The Purchasing Department can add external invitations for suppliers that are not registered, but might be interested and able to provide the goods or services being solicited. Departments should submit names of vendors to be notified to the Purchasing Department on the requisition or with the specifications.
 - The Purchasing Department provides a copy of the completed solicitation document or access to the e-bidding system to the originator or requisitioner for review prior to issuing the solicitation.
 - The originator or requisitioner reviews the document to ensure that all requirements and specifications are interpreted correctly and notifies the Purchasing Department that the document is ready for issuance. Any suggested changes, additions or deletions should be provided in writing to the Purchasing Department.

- The Purchasing Department issues the solicitation through the District's e-bidding system.
- Vendors that are registered for the selected commodity and any external vendors invited will receive an e-mail notification that the solicitation opportunity is available. Other vendors that hear about the solicitation may register in the system and submit responses to solicitations as well.
- In an effort to increase competition, all solicitations are also advertised on the State of Texas Electronic State Business Daily (ESBD): <https://www.txsmartbuy.com/esbd>.
- All questions related to the solicitation should be submitted through the Questions tab of the solicitation within the District's e-bidding system. All answers to submitted questions will be issued through the e-bidding system to ensure that all vendors are provided the same information.
 - Any material interpretations, corrections and/or changes to a solicitation will be made by addenda to the respective document when necessary and issued through the e-bidding system by the Purchasing Department.
 - An addendum will be published and notice of the addendum will be distributed by e-mail through the e-bidding system to all that are known to have been notified or viewed the solicitation and related specifications online.
 - It shall be the sole responsibility of the bidder to verify issuance/non-issuance of addenda and to check the e-bidding system prior to closing date and time to ensure bidder's receipt of any addenda issued.
 - Questions received prior to the question and answer deadline listed in the e-bidding system will be responded to at least forty-eight (48) hours prior to the closing date and time of the solicitation.
 - Solicitation closing dates and/or times may be extended through the e-bidding system without issuance of an addendum. Vendors who have been notified or viewed the solicitation online will receive an e-mail notice that the solicitation date and/or time has been extended.
 - Competitive sealed bids must be submitted electronically through the District's e-bidding system or in a sealed envelope (no faxes or e-mails), and results of the bids received must be made available to the public either electronically or opened in a public bid opening at the time and place indicated in the legal ad.

14.7.4 Evaluation of Invitation to Bid Solicitations

- The Purchasing Department receives and publicly opens responses. Public opening can be accomplished either electronically or read aloud in the Purchasing Department, should a vendor be present for a solicitation opening. Tabulations for an Invitation to Bid are available once the solicitation has been unsealed in the system. Manual submissions will not be available in the system until the Purchasing staff member has added the response information. Upon adding the response information, the manual submission will be available to the public electronically.
- The bid tabulation is auto generated by the electronic bidding system.
- The Purchasing Department staff member handling the solicitation must create the evaluation in the electronic bidding system and add evaluators. Instructions for creating

evaluator in the electronic bidding system are available in the J:\PURCHASE\Checklists & Instructions shared folder.

- The designated evaluators will receive an email inviting them to perform the evaluation within the electronic bidding system. The requesting department is responsible for evaluation of the responses in accordance with the evaluation criteria set forth in the solicitation. Instructions for evaluators is available when the evaluator logs into the system to evaluate responses to a solicitation.
- The Purchasing Department staff member handling the solicitation should conduct a pre-award compliance check to ensure compliance with applicable Texas statutes and District policies and procedures, to include:
 - applicable internal reviews and approvals from oversight departments such as; Information Technology, Public Relations Department, or similar Departments have been performed,
 - legally required contractor disclosures are completed,
 - return of all required documents, licenses, certifications etc.
 - compliance of all required documents with requirements
 - verification that the selected vendor is not on the federal list of debarred or suspended contractors, and
 - Verification that the selected vendor does not owe delinquent taxes
 - Verification of authorized signature
 - Vendor has not had a contract with the District terminated due to poor performance
- The Purchasing Department staff member handling the solicitation should perform the evaluation of Buyer entered criteria, such as evaluation of pricing and State of Texas vendor information.
- The requesting department is responsible for determining the best value to the District, based on stated evaluation criteria, and whether the costs are within their budget.
 - The Purchasing Department staff member will notify the requesting department of the results of the evaluation and confirm the recommendation for award based on the evaluation results.
 - Evaluators must furnish written justification within the evaluation tool to support scores given for each criterion.
 - The Purchasing Department reviews the solicitation responses and the completed evaluations to look for large discrepancies in scores between evaluators. Should any discrepancies be found, the Purchasing staff member may ask the evaluators for additional justification for their scores or ask them to review their scores for mistakes when entering their scores.
- Should the Purchasing Department have a concern regarding the evaluation scores and are unable to resolve the issues with the evaluator(s), the Executive Director Procurement Services or the Chief Financial Officer may be asked to review the evaluations to determine if the evaluation scores have been submitted objectively.

- Vendors who have a documented history of poor service or inferior product may be disqualified for award if proper documentation has been provided to the Purchasing Department.
- Documentation of poor performance shall be an ongoing process and should be forwarded to the Purchasing Department as issues arise.
- The District may reject any and all bids when it is deemed to be in the best interest of the District.
- After all evaluations are completed and the best value award recommendation is agreed upon by the requesting department, the Purchasing Department submits the recommendation to the Board for approval and/or places the order, depending on the dollar amount.

14.7.5 Evaluation of Competitive Sealed Proposals (Ed Code 44.0352)

- The Purchasing Department publicly receives responses. Under the competitive sealed proposal method, the names of the companies submitting proposals and all pricing that is stated in the proposal will be read aloud.
- Competitive Sealed Proposals should be evaluated by a committee of at least three (3) District staff members, to include, but not limited to, representatives from the originating department, a representative from the Purchasing Department and representatives from any other District department that has an interest in the outcome of the awarded contract.
- The Purchasing Department issues the evaluation in the e-bidding system.
- Not later than the 45th day after the date on which the proposals are opened, the District shall evaluate and rank each proposal in relation to the published selection criteria.
- Committee members read and evaluate the responses based on the evaluation criteria set forth in the request for proposal.
- Proposal responses shall be held confidential prior to award and not discussed with anyone outside of the committee.
- The District shall select the offeror that offers the best value for the District based on the published selection criteria and on its ranking evaluation. The District shall first attempt to negotiate a contract with the selected offeror. The District may discuss with the selected offeror options for a scope or time modification and any price change associated with the modification. If the District is unable to negotiate a satisfactory contract with the selected offeror, the District shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.
- The District may reject any and all proposals when it is deemed to be in the best interest of the District.
- After completing the evaluation and receiving the recommendation from the originator, the Purchasing Department submits the recommendation to the Board for approval and/or places the order, depending on the dollar amount.

14.7.6 Construction Services

- Construction Services are procured under a method provided by Chapter 2269 Government Code: <https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2269.htm>.
- If using a construction method other than competitive bidding, the Board of Trustees must, before advertising, determine which method provides the best value for the District. The District has historically utilized the Construction Manager-at-Risk (CMAR) method for large construction projects.
- The District selects the Construction Manager-at-Risk in either a one-step or two-step process.
- The request for proposal must state the selection criteria in the request for proposals or qualifications, as applicable. The selection criteria may include the Offeror's experience, past performance, safety record, proposed personnel and methodology, and other appropriate factors that demonstrate the capability of the Construction Manager-at-Risk.
- If a one-step process is used, the District may request, as part of the Offeror's proposal, proposed fees and prices for fulfilling the general conditions.
- If a two-step process is used, the District may not request fees or prices in step one. In step two, the District may request that five or fewer Offerors, selected solely on the basis of qualifications, provide additional information, including the Construction Manager-at-Risk's proposed fee and its price for fulfilling the general conditions.
- At each step, the District shall receive, publicly open, and read aloud the names of the Offerors. At the appropriate step, the District shall also read aloud the fees and prices, if any, stated in each proposal as the proposal is opened. Within 45 days after the date of opening the proposals, the District shall evaluate and rank each proposal submitted in relation to the criteria set forth in the request for proposals.
- The District shall select the Offeror that submits the proposal that offers the best value for the District based on the published selection criteria and on its ranking evaluation. The District shall first attempt to negotiate with the selected Offeror a contract. If the District is unable to negotiate a satisfactory contract with the selected Offeror, the District shall, formally and in writing, end negotiations with that Offeror and proceed to negotiate with the next Offeror in the order of the selection ranking until a contract is reached or negotiations with all ranked Offerors end.
- The District must document the basis of its selection and make the evaluations public not later than the seventh day after the date the contract is awarded.
- Performance and Payment Bond. (a) If a fixed contract amount or guaranteed maximum price has not been determined at the time the contract is awarded, the penal sums of the performance and payment bonds delivered to the governmental entity must each be in an amount equal to the construction budget, as specified in the request for proposals or qualifications. (b) The construction manager-at-risk shall deliver the bonds not later than the 10th day after the date the construction manager-at-risk executes the contract unless the construction manager-at-risk furnishes a bid bond or other financial security acceptable to the governmental entity to ensure that the construction manager will furnish the required performance and payment bonds when a guaranteed maximum price is established. In lieu of a bid bond or other financial security, the CMAR may submit a letter of intent from a surety company indicating your firm's ability to bond for the entire construction cost of the project. The surety shall acknowledge that the firm

may be bonded for each stage/phase of the project, with a potential maximum construction cost of equal to or greater than the construction budget.

- A Certificate of Insurance as described in the Request for Proposals/Qualifications must be provided and approved prior to the commencement of any project.
- Basic Minimum Wage Rates: Contractors and subcontractors shall pay not less than the rates approved by the Collin College Board of Trustees in accordance with Government Code 2258.022.

14.7.7 Professional Services

- Professional services include the following services:
 - accounting;
 - architecture;
 - landscape architecture;
 - land surveying;
 - medicine;
 - optometry;
 - professional engineering;
 - real estate appraising; or
 - professional nursing or
 - interior design services provided by a person lawfully engaged in interior design, regardless of whether the person is registered as an interior designer under Chapter 1053, Occupations Code
- The District may not select a provider of professional services or a group or association of providers or award a contract for the services on the basis of competitive bids submitted for the contract or for the services, but shall make the selection and award:
 - on the basis of demonstrated competence and qualifications to perform the services; and
 - for a fair and reasonable price.
 - The professional fees under the contract:
 - must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
 - may not exceed any maximum provided by law.
- In procuring professional services, the District must:
 - first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and
 - then attempt to negotiate with provider a contract at a fair and reasonable price.

- If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the District must:
 - formally end negotiations with that provider;
 - select the next most highly qualified provider; and
 - attempt to negotiate a contract with that provider at a fair and reasonable price.
- The District must continue the process described above to select and negotiate with providers until a contract is entered into.

14.8 Requisitions

14.8.1 Planning for Needs

- Originators should plan for equipment, supply and service requirements well in advance of need, for the following reasons:
 - The lead time required for the vendor to complete the order depends on the merchandise or service involved.
 - Processing a requisition from initiation to issuance of a purchase order may vary from a few days to many weeks, depending upon:
 - the nature and value of the transaction;
 - time required for approval of requisition;
 - the existing work load of the Purchasing Department;
 - the existing work load of the vendor(s);
 - requisition scheduling; and
 - supply chain issues.
- Requisitions for items requiring Board approval should be received by the Purchasing Department in accordance with the “Purchasing Planning” diagram, available on the Purchasing Intranet Page. In addition to the time required to prepare the solicitation document, these purchases:
 - may need to be advertised in accordance with Texas Education Code 44.031 (g);
 - may require at least two weeks of advertising before solicitations can be opened;
 - must have Board approval.
- The procedure followed in processing a requisition
 - The originator enters the electronic requisition, which is routed electronically through predetermined approval channels to the Purchasing Department.
 - Upon receipt of the requisition in Purchasing, the Purchasing Department:
 - determines the method of purchase;
 - processes solicitations, if deemed necessary;
 - obtains necessary approvals; and

- issues purchase order(s).

14.8.1 Preparing the Requisition

Help guides and videos for creating a requisition can be found through the Workday Resources link on CougarWeb. These instructions should be followed closely to ensure all required information is included on/with the requisition.

- Approval Path: Solicitations will be processed only after the requisition has been through the appropriate approval path and been received in Purchasing.
- Similar Items: Combine all similar items to be purchased from same vendor on one requisition. Requisitions received of a similar nature will be combined with other requisitions and, unless existing contracts are available, bids or quotes will be required depending on dollar value. Purchase requisitions submitted that appear to be split to avoid bids or quotes being required will be brought into question and the proper procedures for the purchase will be followed. Purchasing staff keeps careful watch for the following types of purchases which attempt to avoid the solicitation process:
 - "Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
 - "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.
 - "Sequential purchases" means purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.
- Delivery Location: Items to be delivered to different campuses must be entered on separate requisitions.
- Existing Contracts: If the purchase is being made under an existing contract, including a cooperative purchasing contract, then the contract bid number must be referenced on the requisition. Contracts are loaded in Workday to make it easier for requesters to add the contract number to their requisition.
- Print Orders: Printing requirements must first be approved by the Public Relations Office.
- Delivery Dates: Requestors should state the required delivery date, taking into consideration the approval process and turn-around times required in Purchasing, as well as supplier estimates of delivery after receipt of the order. If the requisition has been held up for any reason, the delivery date may need to be changed. It is recommended to give at least a two week out date to allow time for approvals and delivery, unless the vendor indicates a longer lead time.
 - When acquiring quotes from vendors make sure and ask about the time required for delivery after the vendor receives the order and add that amount of time to the required by date.
 - Be realistic when entering the required by date.
 - If the order needs to be expedited, please indicate so in Internal Notes on the requisition and Purchasing will do their best to meet the needs of the department's requirements, but it is the requesters responsibility to contact approvers to expedite approvals.
- New Vendor: When placing an order with a new vendor, the requestor should create a Supplier Request Form in Workday and provide complete and accurate information for

the vendor. Make sure that the vendor will accept a purchase order, especially when dealing with internet companies. A W-9 is required to be attached to the Supplier Request Form.

- **Special Delivery Requirements:** Be sure to note special delivery requirements in External Notes on the requisition (i.e. installation, contact person to schedule delivery, room number of installation, any time periods that the space would/would not be available for installation, special installation requirements such as weekend installs).
- **Additional Requirements:** Take into consideration issues such as warranty, training, and annual maintenance.
- **Supporting Documentation:** The more information that you include with the requisition, the fewer questions that will likely need to be addressed and the quicker the requisition will be processed. If you have backup information such as quotes, sole source documentation, etc., attach the information in the Internal Notes of the requisition in Workday.
- **Requisition Notes:** Information that needs to go to the vendor should be included in the Memo field or Attachments section of the requisition. Information that needs to go to Purchasing or the requisition approvers should be included in the Internal Memo field or Attachments section of the requisition.
- **Budget Approval:** The first approval step for all requisitions is Budget check. If you do not have funds available in the account selected, the requisition will fail and will be returned automatically. It is the requestor's responsibility to check budget and perform necessary budget adjustments before submitting requisitions for approval.
- **Technology Purchases:** All requisitions for IT related purchases (to include but not limited to software, hardware, printers, memory, etc.) must use the appropriate spend category for these type purchases. Selection of the appropriate spend category for these items will automatically route the requisition to go through the Technology Approval step.
- **Return of Requisition:** Any requisition received into Purchasing that does not have the required information and/or has not gone through the proper approval path may be returned to the requestor for correction.
- **Order Quantity:** The largest quantity consistent with need, storage space, and available funds should be requested. Avoid small orders since delivery charges and processing costs may exceed the value of the merchandise;
- **Description:** A complete description of the item(s) required should be included on the requisition so that the correct item is ordered and received.

14.8.2 Special Requirements for Capital Equipment Purchases

- Capital equipment that is being delivered to different campuses must be entered on separate requisitions.
- Items must be delivered through Central Receiving at the appropriate campus so that they can be tagged, and the information recorded. In the case of new project furniture and equipment installations, Purchasing Department staff will coordinate with Central Receiving staff to ensure that equipment is tagged and information recorded.
- An External Note should be entered on the requisition requiring the vendor to note the purchase order number on shipping labels.

- The description entered on the requisition must be adequate to assist in the identification of the item. Listing only a part number is not sufficient. All components that would be used to make up a single unit, such as a desk, should be included as one-line item. Each component should be detailed as part of that line item description.
- An External Note should be included stating the name and complete 10-digit phone number of the person originating the request. This is the person to whom the receiving staff will coordinate delivery to or with whom the vendor should schedule an installation.

14.8.3 Change Orders

- Change orders for additional items, which exceed \$5,000, must be placed on a new requisition. Exception would be for repair of equipment, building, etc. where the cost of the repair is estimated on the original order.
- Change order requests will be reviewed on an individual basis. It is the department's responsibility to make sure that funds for the additional cost are available in their budget. Change orders go through Budget Authorization and will fail if funds are not available.
- Change orders should be submitted by typing "create change order" or by clicking the related actions button next to the PO number in Workday and selecting "create change order".

14.8.4 Open Purchase Orders

- Open purchase orders should be reviewed at the end of the fiscal year to determine if there is a need to issue an open purchase order to that vendor for the new fiscal year. The amount spent per vendor should be reviewed to determine the amount needed for the upcoming fiscal year. Open purchase orders should be issued for the amount that the department estimates they will spend for the upcoming fiscal year. Open purchase orders should be used for:
 - emergency purposes, when it is not feasible to enter a requisition and go through the proper purchasing procedures; or
 - many small dollar purchases are anticipated for supplies throughout the year.
- Purchases of goods of \$5,000 or greater should not be purchased through an open purchase order and a new requisition should be entered into Workday and a purchase order issued prior to making the purchase. If an item is considered furniture, equipment, IT equipment or software which would use Spend Category SC1001 or SC1045 and would require a transaction detail worktag, then a new requisition will need to be created regardless of the dollar value. See Workday instruction for Creating a Procurement Request found in the Workday Resources through CougarWeb.
- The proper procedure for emergency purchases, where an open purchase order is not in place or the item is over \$5,000, is for the department to:
 - enter a requisition in Workday;
 - call each person on the approval path to expedite the approval process;
 - make Purchasing aware that the requisition is an emergency and will need to be processed immediately upon final approval;
 - Purchasing will process the requisition and distribute the purchase order to the vendor.

- Open purchase orders must be created using the Open Purchase Order requisition type in Workday.

14.8.5 Receiving Orders

- Receiving document should be done through Workday and include the following information:
 - Quantity/Cost received
 - Date received
- Document shortages, overages and damages on the receiving report
- Only approve payment for quantity received and kept
- Do a partial receipt for items that are received when backorders, stockouts, etc. are involved.
- Items should be checked-in immediately and a receiver should be done in Workday as soon as possible.
 - Insures prompt payment to the vendor
 - May be damages or shortages that need to be reported
- Before signing for goods, check boxes for damage.
- If there is damage to the box, check to make sure the contents are not damaged.
- If contents are not damaged, you can go ahead and accept delivery.
- If contents are damaged, refuse delivery.
- At time of delivery, require carrier to document damage to the box/package on both the District receiving document and the document the carrier retains, even if contents do not appear to be damaged.
- If damage that could not be detected upon receipt (latent defect) is noticed when the goods are put to use you need to notify the vendor and the Buyer in Purchasing immediately.
- Always test goods to make sure there are no latent defects. In most cases, there is a time limit as to when goods can be returned.

14.8.6 Shipping Terms and Shipping Costs

- F.O.B. (Free on Board) determines the point at which title or ownership transfers and responsibility for the goods while in transit.
 - F.O.B. Destination: Shipper maintains ownership and is responsible for the goods until received by the buyer at the destination indicated on purchase order.
 - Any loss or damages would be handled by the shipper.
 - F.O.B. Origin: Buyer takes ownership and responsibility once the goods leave the shipper's location.
 - Any loss or damages would be handled by the buyer.
- Ideal shipping term is F.O.B. Destination, freight prepaid and allowed where the shipper pays freight, owns goods in transit and files claims.

- Important to include shipping costs on the requisition.
- Ask vendor to include shipping in their price or give a separate price. Indicate how shipping costs will be invoiced.

14.8.7 Vendor Documentation

- Always document unsatisfactory performance by a vendor and share with the buyer to keep on file. You never know when unsatisfactory performance will become habitual, so keep good records in order to support any future debarment of the vendor or actions against the vendor.
- Contact Purchasing anytime a problem arises with a vendor that cannot be rectified at the department level.

14.8.8 Inventory Control

- Keep records to determine usage history in order to maintain adequate inventory levels.
- Document item usage to get an idea of the volume of usage. This information could be used to establish annual contracts.
- Have procedures in place to document where inventory is going.

14.9 Preparing Specifications or Item Descriptions

14.9.1 Simple Descriptions: (Brand name or equal)

- Requesting department describes the goods and/or services in enough detail to ensure that the correct goods and/or services are purchased.
- Information furnished should include, but is not limited to:
 - quantity;
 - size (packaging size, size of product, etc.);
 - color;
 - trade name;
 - catalog or model number;
 - manufacturer;
 - brief description;
 - details of service to be performed;
 - dates services are to be performed; and
 - location where services are to be performed.

14.9.2 Specifications and Scope/Statement of Work (SOW)

- Specifications are provided by the user department to assist in the development of the solicitation of goods and services.

- Use of vendor written specifications is considered a conflict of interest and is prohibited. Vendors will not be allowed to bid on goods or services for which they have written the specifications.
- Peers at other colleges and public agencies are great resources for finding specifications. Specifications can also be obtained from many trade associations and professional organizations. The Purchasing Department can assist in finding legitimate sources for specifications of the goods and/or services.
- Unless the originator possesses considerable expertise, the assistance of a subject matter expert may be needed to prepare adequate specifications.
- Originators may list specifications on the requisition or, if lengthy, include them as an attachment in the Internal Attachments section of the requisition.
- **Exhibit 14.9.D Developing Specifications** - provides detailed information published by NIGP on defining precise requirements of commodities.
- The Scope of Work is prepared at the beginning of a procurement and becomes the basis for the solicitation.
- A Statement of Work is a written description in the contract detailing performance expectations and deliverables between the contracting parties.
- **Exhibit 14.9.E Scope of Work and Statement of Work** - published by NIGP, provides detailed information on the difference between a Scope of Work and a Statement of Work, as well as information to include in each.

14.9.3 Printing Specifications

- The Purchasing Department handles the purchase of publications and printed materials following the same procedures and guidelines as other purchase transactions.
 - All District printing projects and publications are coordinated through the Communications Office, which assists the Purchasing Department by:
 - writing print specifications;
 - suggesting appropriate vendors for specific projects;
 - assisting in maintaining an updated list of vendors;
 - providing publication forms, needed for all printing projects.
- The Communications Office works with the originator to develop a complete description of the project including:
 - quantity;
 - printed size;
 - design;
 - typography;
 - ink colors;
 - paper selection; and
 - folding.

- Factors which have a direct impact on a vendor's ability to perform the work, and increase the cost are also noted, including:
 - close registration;
 - bleeds;
 - halftones;
 - screens;
 - embossing;
 - die cuts; and
 - special printing techniques.
- The Communications Office staff provides the information that the requestor will need to include on the requisition.
- It should be indicated on purchase orders for all print jobs that the items are to be delivered to The Communications Office. Communications staff works directly with the vendor in:
 - correcting and approving proofs;
 - performing press checks; and
 - inspecting final product upon delivery.
- Any revisions of the specifications (after the purchase order is issued) affecting the cost of the publication must be authorized through the change order process and a change order shall be issued to the vendor by the Purchasing Department prior to any additional costs being incurred.
- Requests for publications should be made well in advance of the date needed:
 - a one-month lead time is requested for most projects; but
 - a two-month lead time is needed for projects requiring board of trustee approval.

14.10 Purchase Orders

Issuance of Purchase Order

- After obtaining competitive prices and selecting the vendor(s), the Purchasing Department issues purchase order(s) for items listed on a requisition.
 - Purchase orders are generated through Workday and sent to the vendor via email.
 - The requisitioner will receive a notification when a purchase order has been generated.
 - Each purchase order should include, but is not limited to:
 - the standard terms and conditions of the purchase order;
 - the ship to location;
 - the requestor information;
 - the vendor's name, address, phone and fax numbers;

- the date the purchase order was issued;
 - the required date of delivery;
 - special delivery/installation instructions;
 - the F.O.B. terms;
 - the payment terms;
 - invoicing instructions and information;
 - quantity, unit of measure, description, unit price and total price of items being ordered;
 - special clauses; and
 - supplier attachments and notes.
- The Purchasing Department has sole authority to issue a change order to the vendor:
 - to change quantities;
 - to change specifications;
 - to change dollar value; or
 - to cancel a purchase order.
 - The requestor immediately sends a change order request with supporting documentation to the Purchasing Department if:
 - an error is discovered on the purchase order;
 - circumstances dictate a change, addition or deletion;
 - circumstances dictate a cancellation.
 - Necessary changes should be made before the vendor fills the order to avoid extra charges for handling or restocking after delivery.
 - Accounts Payable will handle invoices over the purchase order amount as follows (this does NOT apply to Open Purchase Orders):
 - \$50/10% or less - Payment is automatically processed by Accounts Payable.
 - \$50.01/10% or greater increase - Ordering department must process a change order request in Workday.
 - Change orders must be done to add new line items.

14.11 Purchase Transactions Not Requiring a Purchase Order

- Purchases using a procurement card (T-card):
 - Purchases using a procurement card must follow the guidelines set forth in the T-Card Procedures Manual provided by Accounts Payable
- If the user does not have a T-card a Supplier Invoice Request should be submitted through Workday in lieu of submitting a requisition for:
 - subscriptions;
 - memberships;

- newspaper ads; or
- postage (bulk mailings);
- Transactions that should be processed through a Supplier Invoice Request with a Professional Services form attached in Workday include, but not limited to:
 - Campus Security (not under contract)
 - Athletic Official
 - Guest Lecturer
 - Life Models
 - Guest Performers
 - Obtaining services for events, such as bounce house or game rentals, face painting, henna artist, caricature artists, etc.

14.12 Procurement Files

- The following information is retained electronically in the contract management software or e-bidding software – typically for formal solicitations of \$50,000 and more:
 - completely executed contract, signed and dated, when applicable;
 - justification for Sole Source form, when applicable;
 - copy of legal notice for solicitations (\$50,000+);
 - list of prospective vendors that were notified of the solicitation opportunity;
 - date the notification was sent;
 - status of their response;
 - date and time response were submitted by the vendor;
 - pre-bid/proposal conference attendance lists, when applicable;
 - cost reasonableness analysis, when applicable;
 - copy of tabulation and recommendation memo from the requesting department, when applicable;
 - copies of awarded vendor's response to a request for proposals with evaluation of proposal, signed rating sheets, individual scores aggregated and numerical ratings justifying award;
 - copy of Board Agenda, if applicable;
 - copy of insurance and bonds, if applicable.
- Procurement files will be retained as follows:
 - Construction project files - Permanently
 - Formal sealed competitive solicitations (\$50,000+) – FE of award plus 5 years
 - Quotes/purchases of \$2,000 to \$49,999 - One year
 - Purchase Order and Receipt Records – FE plus 3 years.

14.13 Follow-Up and Expediting of Orders

- If items ordered are not received when expected, the requisitioner should follow-up.
 - If a requisition was submitted, but no purchase order has been issued indicating that the materials or services requested have been ordered:
 - the requestor checks the status of the requisition in Workday.
 - the requestor contacts the approver or Purchasing, whichever is applicable, to expedite approval or determine the reason the requisition has not been approved and must provide the requisition number in question. Assigned buyer should communicate any delays that may have occurred to keep the requestor informed.
- If a purchase order was issued and the requestor has not received the merchandise or services in accordance with the requested delivery date:
 - the requestor contacts the Receiving Department to determine if delivery has been made; the requestor furnishes:
 - the purchase order number; and
 - the vendor name.
 - If the receiving department has no record of receiving the order and has no status information, then the requestor contacts the vendor to determine the status of the order;
 - documentation of delivery issues should be provided to the Purchasing Department with all files and records necessary to contact the vendor for status information;
- When vendors fail to respond to a requestor's requests for purchase order follow-up or expedition, the Purchasing Department buyer listed on the PO:
 - contacts the vendor;
 - requests detailed order status information;
 - relays any information obtained to requestor.
- If the Purchasing Department obtains information indicating an unsatisfactory order completion date, the requestor may request alternative action:
 - if the Purchasing Department determines that alternative action is warranted, action may be initiated following established procedures and may include:
 - accepting a substitute;
 - issuing a cure notice for contracted vendors;
 - cancellation of the order and possibly the contract, if applicable and the Purchasing Department finds that the vendor has defaulted on his commitment to furnish the products or services specified; and
 - reordering from another vendor.
- If the Purchasing Department determines that a vendor follows a pattern of non-performance or unsatisfactory performance, that vendor will be disqualified from award of future contracts

14.14 Electronic Receipt of Sealed Solicitations

This procedure will apply to sealed solicitations that are estimated to cost \$50,000+ or the sealed solicitation dollar levels as defined by current State law. This procedure is to ensure the identification, security and confidentiality of electronic solicitations and to ensure that the electronic solicitations remain effectively unopened until the proper time.

WHO	DOES WHAT
Buyer	Places solicitation legal notice advertisements as required by State law. A notification will be added to the solicitation ad stating vendors may submit responses electronically through the designated Internet provider, listing the appropriate electronic address. Hard-copy submittals will be accepted.
Buyer	Only a password-enabled purchasing employee will be able to open the electronic responses and only at the established closing time and date. The electronic system used is locked and cannot be unsealed until the date and time indicated.
Buyer	Solicitations and the recap summary will be opened and downloaded by the appropriate Buyer.
Buyer	Will open any hard document (paper) responses received in full sight of any interested party.
Buyer	Will read aloud to interested parties present, all electronic and hard document responses properly received by closing time and date as required by law.

14.15 Grant Procedures

- All suppliers for purchases using grant funds over \$25,000 must be checked on SAM.Gov the day the order is issued and the debarment search results shall be saved and attached to the requisition or to the contract. Always read any vendor included terms and conditions or agreements before proceeding to ensure they that they do not contradict District terms and conditions or Federal requirements.
- All grant orders MUST follow the whichever more restrictive guidelines, District or Federal. Regardless of the grant source, at a minimum, District guidelines for purchases (i.e. 3 quotes obtained by the department or Purchasing if over \$10,000 or Purchasing to issue formal solicitations if \$50,000 or over) must be followed. If an existing contract or a cooperative contract is being used, Purchasing must review the contract to ensure compliance with grant requirements and that they have been awarded in compliance with Texas Education Code 44.031. A copy of the cooperative contract should be attached to the contract in Workday or attached to the purchase order.
- Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.
- It shall be the responsibility of the Buyer to monitor the vendor's performance during the term of an annual contract or during the performance of a one-time project. End users should notify the Buyer promptly and in writing if the vendor or vendors goods fail to perform in accordance with the specifications of the contract. Performance shall be documented by attachment to the Purchase Order or attached to the contract in Workday.
- Collin encourages participation in the solicitation process by small, minority and female-owned businesses. Collin does not discriminate on the basis of race, color, religion, gender, national origin, age, disability or veteran status.
- All requisitions over \$10,000 will need the following termination clause added. Note – This clause is included in the District's standard terms and conditions for solicited purchases.
 - Termination for Cause or Convenience: The District, at any time, by thirty (30) days written notice to the Vendor, has the absolute right to terminate this Contract/PO, in whole or in part, for cause or for convenience (that is, for any reason or for no reason whatsoever). "Cause" means the Vendor's refusal or failure to perform or complete its obligations under this Contract/PO within the time specified and to the District's satisfaction, or failure to meet the specifications, quantities, quality and/or other requirements specified in the Contract/PO.
 - If the District terminates this Contract/PO for cause, the Vendor shall be liable for any damages suffered by the District. If the agreement is terminated for convenience, the Vendor has no further obligation under this Contract/PO. Upon receipt of a notice of termination, Vendor shall promptly cease all further work pursuant to the Contract/PO, with such exceptions, if any, specified in the notice of termination. Payment shall be made to cover the cost of goods delivered and services performed, and obligations incurred prior to the date of termination in accordance with the terms hereof.
 - However, in no event shall the vendor be paid an amount, which exceeds the bid/offer price for the work performed. The vendor shall not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.

- The certifications and provisions contained in the Federal Grant Compliance Form are required and apply when Collin expends federal funds for any contract resulting from a procurement process. Pursuant to, all contracts, including small purchases awarded by the District and the District's subcontractors shall contain the procurement provisions of Appendix II to Part 200, as applicable. Departments obtaining quotes shall use the Federal Grant Compliance Form. For goods and services that are formally solicited through by the Purchasing and Contracts Department, these certifications and provisions will be included as part of the solicitation process.
- **Exhibit 14.15.E Federal Grant Compliance**

Table 1: Approvals & Point of Contact

The undersigned acknowledge that they have reviewed the Business Procedures Manual and agree with the information presented within this document. Changes to this Business Procedures Manual will be coordinated with, and approved by, the undersigned, or their designated representatives.

Table 1.A - Approvals

Document Approved By	Date Approved
Melissa Irby, Chief Financial Officer	
Barbara Johnston, Associate VP Financial Services and Reporting	
Keitha Carlton, Associate VP Controller/Student Financial Service	
Cindy White, Executive Director Procurement Services	

The person(s) listed below will act as a point of contact as issues arise during the review and use of this manual. Issues include, but not limited to: broken links, incomplete information, incorrect revisions or any general questions that come about.

Table 1.B - Support Points of Contact

Contact	Email	Role	Responsibility
Stacey Quesenberry	squesenberry@collin.edu	Executive Assistant, CFO	Manual Administrator

Table 2: Record of Changes

The table below provides information on how the development and revision of the Business Procedures Manual will be controlled and tracked. As of January 2024, the version number is 2024.1

Instructions: Provide the version number, the date of the revision, the author/owner of the version, section or table and a brief description of the reason for creating the revised version.

Table 2 - Record of Changes

Version Number	Date	Author/Owner	Section or Table	Description of Change
2024.1	01/31/2024	Administrative Services	All sections & tables	1 st version of the manual

Table 3: Referenced Documents

Information for all documents used to arrive at and/or referenced within this document (e.g., related and/or companion documents, prerequisite documents, relevant documentation, etc.).

By Clicking **Exhibit** in the top right-hand corner, you will return to your previous place in the document.

Exhibit	Document Name	Document Location
Exhibit 3.16.A	Gifts In-Kind Form	Financial Policies Section 3
Exhibit 3.16.B	Gifts In-Kind Thank You Letter	Financial Policies Section 3
Exhibit 5.3.A	Receipt Deposit Form	Cash and Banking Section 5
Exhibit 5.3.B	Procedure to complete Receipt Deposit Form	Cash and Banking Section 5
Exhibit 6.1.A	CAK Local Board Policy Investments	Investment Policies Section 6
Exhibit 7.4.A	Third Party Billing Agreement	Accounts Receivable Section 7
Exhibit 8.9.A	Fixed Asset New Asset	Capital Assets Section 8
Exhibit 8.9.B	Fixed Asset Transfer	Capital Assets Section 8
Exhibit 8.9.C	Fixed Asset Retirement	Capital Assets Section 8
Exhibit 9.4.A	TCard Procedures	Accounts Payable Section 9
Exhibit 10.1.A	Travel Procedures	Accounts Payable – Travel Section 10
Exhibit 10.2.B	Local Travel Form	Accounts Payable – Travel Section 10
Exhibit 11	Grants Management Handbook	Grant Monitoring and Reporting Section 11
Exhibit 11.6 B	Indirect Cost Rate Agreement.2020-2024	Grant Monitoring and Reporting Section 11
Exhibit 12	On Demand Payment Request	Payroll & Benefits Section 12
Exhibit 13.2.A	Annual Budget Calendar	Budget Section 13
Exhibit 13.2.B	Detailed Budget Timeline	Budget Section 13
Exhibit 14.2.A	Selecting the Procurement Method	Purchasing Section 14
Exhibit 14.3.B	Receipt of Electronic Sealed Bids or Proposals	Purchasing Section 14
Exhibit 14.5.B	Procurement Planning	Purchasing Section 14
Exhibit 14.6.C	Cooperative Purchasing Contracts	Purchasing Section 14
Exhibit 14.9.1.D	Developing Specifications	Purchasing Section 14
Exhibit 14.9.E	Scope of Work and Statement of Work	Purchasing Section 14
Exhibit 14.15.F	Federal Grant Compliance	Purchasing Section 14



Collin College Gifts In-Kind Form

DONOR INFORMATION

This section is to be completed by Donor and is for Non-Monetary Donations

Donor Name _____

Address _____

City _____ State _____ Zip _____

Contact Person _____ Title _____

Phone _____ Email _____

Description of Item _____

Condition of Item New Used

Estimated Value by Donor \$ _____ *

*Value should represent current market value. Receipt, appraisal, internet research, etc. is required to be attached for all donations with a value of \$5,000 or more.

Donor Signature _____ Date _____

Federal income tax regulations require donors claiming deductions for charitable contributions consisting of property other than cash worth more than \$500 to file Internal Revenue Service Form 8283, "Non-cash Charitable Contribution". See IRS Publication 561, "Determining the Value of Donated Property" for detailed information. Donor will receive a thank you letter from Collin College acknowledging the receipt of goods with the value indicated for tax purposes.

DEPARTMENT INFORMATION

This section is to be completed by the Department receiving the donation

Department Benefiting from Donation _____ Department Cost Center _____

Describe use to the College _____

Contact Name _____ Contact Title _____

Approving Dean/AVP Name _____ Date _____

Approving Dean/AVP Signature _____

BUSINESS ADMINISTRATIVE SERVICES USE ONLY

Received in Business Admin Services by: _____ Date _____

Recorded to GL by: _____ JE # _____ Date _____

Recorded to Monthly Board file by: _____ Date _____

Completed form, along with supporting documentation, should be sent to Collin College Business Administrative Services. They may also be scanned and emailed to kacarlton@collin.edu .

Questions should be directed to Keitha Carlton ph: 972.599.3103 email: kacarlton@collin.edu or Ambreen Nathoo ph: 972.758.3884 email: ambreennathoo@collin.edu .



<Date>
<First Name> <Last Name>
<Company/Organization>
<Street Address>
<City>, <State> <Zip>

Dear <Name>:

On behalf of Collin College, I would like to thank you and <Company/Organization> for your generous donation of <in kind donation description>.

Your donation will provide students with the resources they need to receive the highest level of instruction. More importantly, upon completion of Collin College's program, they will be able to enter the workforce with the skills and knowledge to succeed thanks to your generosity.

Again, thank you for your gift and, most importantly, your support of our students, their learning and their success. Below please find an outline of your donation. Feel free to contact Collin College at 972.599.3103 with any questions.

Sincerely,

<Name>
<Title>

DONATION DETAILS | GIFT IN-KIND

Donor: <Company/Organization>
<Street Address>
<City>, <State> <Zip>

Item(s): <Description from in-kind donation form>

Fair Market Value (Established by Donor): \$ _____ **Date:** <Date>

Your potential tax-deduction is based on the stated value for the goods and services you provided. This letter will serve as your receipt. Collin College Tax ID #75-2037156

Collin College Receipt/Deposit Form

Date:

Received from:

Description:

For:

Fund	Cost Center	Account	Program	Amount	
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>	<input type="checkbox"/> Cash
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>	
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>	<input type="checkbox"/> Check
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>	
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	\$ <input style="width: 100%;" type="text"/>	<input type="checkbox"/> Credit Card
TOTAL				\$ <input style="width: 100%;" type="text"/>	

Received by: Approved

Comments:

For credit card payments, complete a Cash Box and/or Portable Scanner Request form to obtain a portable credit card machine to process credit card payments. Return the machine and credit card batch and detail with this completed form after the event to the bursar/cashier office.

Collin College Receipt/Deposit Form

Exhibit 5.

Date: _____

Received from: _____

Description: _____

For: _____

Fund	Organization	Account	Org	Amount	
_____	_____	_____	_____	\$ _____, _____.	<input type="checkbox"/> Cash
_____	_____	_____	_____	\$ _____, _____.	
_____	_____	_____	_____	\$ _____, _____.	<input type="checkbox"/> Check
_____	_____	_____	_____	\$ _____, _____.	
_____	_____	_____	_____	\$ _____, _____.	<input type="checkbox"/> Credit Card
_____	_____	_____	TOTAL	\$ _____, _____.	

Received by: _____ Approved by: _____

Comments: _____

For credit card payments, clearly write credit card number and expiration in comment section with card holder's authorizing signature in the line below the credit card number.
Collin College accepts MasterCard, VISA, and Discover.

Collin College Receipt/Deposit Form

Date: _____

Received from: _____

Description: _____

For: _____

Fund	Cost Center	Account	Program	Amount	
_____	_____	_____	_____	\$ _____, _____.	<input type="checkbox"/> Cash
_____	_____	_____	_____	\$ _____, _____.	
_____	_____	_____	_____	\$ _____, _____.	<input type="checkbox"/> Check
_____	_____	_____	_____	\$ _____, _____.	
_____	_____	_____	_____	\$ _____, _____.	<input type="checkbox"/> Credit Card
_____	_____	_____	TOTAL	\$ _____, _____.	

Received by: _____ Approved by: _____

Comments: _____

For credit card payments, clearly write credit card number and expiration in comment section with card holder's authorizing signature in the line below the credit card number.
Collin College accepts MasterCard, VISA, and Discover.

Cash Deposits and Receipts

Any department depositing monies at a Cashier's Office should submit a completed Collin College Receipt-Deposit Form, or an acceptable departmental deposit form, with the funds. Once funds are received, verified, and posted by a cashier, the cashier will provide a TouchNet cashiering receipt for the deposited monies. In addition, any individual making a payment against a receivable at a Cashier location will also be provided with a TouchNet receipt, within the guidelines of FERPA confidentiality.

Examples/sources of deposited monies and payments against receivables are:

- Student organizations
- Reimbursement to the District for personal cell phone use by employees
- Fitness center fees
- Theater Department ticket sales
- Athletic Department ticket sales
- Tuition and fees
- Financial Aid scholarship funds
- Library copies, fines, and rentals
- Child care tuition
- Refunds for canceled seminars
- Invoice payments
- Return check and collection fees
- Career assessment/testing fees
- Emergency tuition loan payments
- Testing fees
- Culinary Arts
- Replacement fees for ID cards
- Any other monies collected on behalf of the District or its functions

Double check the amount and account number(s) on the Receipt-Deposit Form for proper recording. The person making the deposit will receive a TouchNet cashiering receipt for office records. District organizations should deposit monies collected on a DAILY basis with the Cashier's Office.

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

Purpose Statement	The College District is required under the Public Funds Investment Act (PFIA) Chapter 2256, Texas Government Code, to adopt a written investment policy. The College District is required to comply with the investment policy as approved by the Board in accordance with the standard of care as set forth in Chapter 2256.006, Texas Government Code.
Statement of Intent	The College District will invest public funds in a manner that provides the maximum security while meeting the daily cash flow demands of the College District, providing maximum potential interest earnings, and conforming to all state and local statutes governing the investment of public funds.
Scope	This investment policy applies to all financial assets of the College District. All funds are accounted for in the College District's Annual Financial and Compliance Report.
Prudence	<p>Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.</p> <p>The standard of prudence to be used by investment officers will be the "prudent person" standard and will be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.</p> <p>Prudent measures will be used to liquidate any investment that is downgraded to less than the required minimum rating.</p>
Objectives	<p>The primary objectives, in priority order, of the College District's investment activities will be:</p> <ol style="list-style-type: none">1. Safety: Safety of principal is the foremost objective of the College District's investment program. Investments of the College District will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.2. Liquidity: The College District's investment portfolio will remain sufficiently liquid to enable the College District to meet all operating requirements that might be reasonably anticipated.

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

3. Return on Investments: The College District's investment portfolio will be designed with the objective of attaining a reasonable market yield throughout budgetary and economic cycles commensurate with the College District's investment risk constraints and the cash flow characteristics of the portfolio.

Designated Officers

The College District's chief financial officer, the associate vice president of accounting and financial reporting, and the associate vice president/controller are expressly authorized by the Board to cause the investment of all available College District funds consistent with this policy and are therefore designated as the investment officers. Because of the various duties and responsibilities related to managing the investment portfolio, the College District's designated investment officers may delegate specific support duties and responsibilities to the revenues and receivables accountant. No person may engage in an investment transaction except as provided under the terms of this policy.

The College District may contract with a Securities and Exchange Commission (SEC)-registered investment adviser for non-discretionary management of the portfolio.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the College District's investment program or that could impair their ability to make impartial investment decisions. Investment officers who have a personal business relationship with a business organization seeking to sell investments to the College District will file a statement disclosing the relationship to the College District's Board. Any material financial interests in financial institutions that conduct business with the College District, as well as any personal financial/investment positions that could be related to or have an impact upon the performance of the College District's portfolio, will be disclosed.

Additionally, any investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the College District will file a statement disclosing that relationship to the Texas Ethics Commission. A personal business relationship for this disclosure is defined as:

1. Owning ten percent or more of the voting stock or shares of the business organization or owning \$5,000 or more of the fair market value of the business organization;
2. Receiving funds from the business organization exceeding ten percent of gross income for the previous year; or

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

3. Acquiring from the business organization during the previous year investments with a book value of \$2,500 or more for a personal account.

Sellers of Investments

The firm and representatives of brokers/dealers will be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the Financial Industry Regulatory Authority (FINRA). A copy of the policy will be sent to every authorized broker/dealer.

Authorized Financial Dealers and Institutions

The College District will maintain a list of qualified brokers/dealers authorized to engage in investment transactions. The Board will annually review, revise, and adopt this list of qualified brokers.

All approved brokers must have completed a College District broker/dealer questionnaire and will be sent a copy of the investment policy for their records.

Approved brokers will have a current financial statement on file and, if applicable, will have executed a Master Repurchase Agreement.

Local government pools will be sent a copy of the policy and must certify that they have reviewed that policy.

Authorized Investments

The College District will pursue a conservative, proactive approach to investment activity, including bond proceeds and pledged revenue to the extent allowed by law, and although other investments may be authorized by law, the College District may invest only in investments authorized by the Board as listed below:

1. Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States.
2. Federal Deposit Insurance Corporation (FDIC) insured or collateralized time or demand deposits issued by a state or national bank domiciled in this state that are:
 - a. Insured by the FDIC or its successor; or
 - b. Secured by obligations described by the Public Funds Collateral Act, Chapter 2257.
3. Fully collateralized repurchase agreements, as expressly defined in Section 2256.011, Texas Government Code.
4. Local government investment pools approved by the College District's Board, by resolution, with a continuous rating of no

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

lower than AAA or an equivalent rating by at least one nationally recognized rating service, and striving to maintain a \$1 net asset value.

5. AAA-rated money market mutual funds meeting the following criteria:
 - a. The fund must be registered with and regulated by the SEC;
 - b. The fund must have a dollar-weighted average stated maturity of not more than 60 days;
 - c. An established objective of the fund must be to maintain a stable net asset value of \$1 for each share;
 - d. The fund must comply with SEC Rule 2a-7; and
 - e. The fund must meet all requirements of the Texas Public Funds Investment Act, as amended.
6. Domestic commercial paper rated A1/P1 or equivalent with a maximum maturity of 270 days.
7. Obligations of states, agencies, counties, cities, and other political subdivisions of any U.S. state rated A or equivalent by a nationally recognized investment rating agency.
8. FDIC-insured brokered certificates of deposit securities issued by any bank in the U.S. delivery-versus-payment (DVP) to the College District's safekeeping agent.
9. Share certificates of credit unions domiciled in the state insured by the National Credit Union Insurance Fund.
10. Interest bearing accounts in any bank in Texas, FDIC insured or collateralized in accordance with this policy.

**Prohibited
Investments**

The College District is strictly prohibited from investing in any of the following collateralized mortgage obligations (CMO):

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

4. Collateralized mortgage obligations that have interest rates determined by an index that adjusts opposite to the changes in a market index.

Collateralization

Collateralization will be required on all bank time or demand deposits and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102 percent of market value of principal and accrued interest. The custodian will be independent and outside the holding company of the pledging institution or repurchase agreement counter-party.

Acceptable collateral for depository time and demand deposits includes only:

- Obligations of the U.S. government, its agencies, and instrumentalities;
- Obligations of or guaranteed by state and local governmental entities if rated "A" or better; and
- FHLB letters of credit.

Acceptable collateral for repurchase agreements includes only:

- Obligations of the U.S. government, its agencies, and instrumentalities; and
- Obligations of or guaranteed by state and local governmental entities if rated "A" or better.

All these securities are authorized by the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

Additional collateral may be pledged or purchased as required, released as it is not needed, and substituted, if necessary, with the written consent of the investment officer.

Safekeeping

All security transactions, including collateral for repurchase agreements, entered into by the College District will be conducted on a DVP basis. Securities owned by the College District will be held by a College District contracted third-party safekeeping institution. Safekeeping receipts and clearance documents will be required for all securities purchased or sold by the College District and held in safekeeping by an authorized third party.

Diversification

Diversification by investment maturity based on cash flow needs will reduce the impact of adverse market fluctuations.

Maximum Maturities

To the extent possible, the College District will attempt to match its investments with anticipated cash flow requirements except the

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

College District will not invest in securities maturing more than 36 months from the date of purchase.

The maximum dollar weighted average maturity of the total portfolio will not exceed 12 months.

Internal Controls

Duties related to investment activities will be delegated so that segregation of duties will be maintained with respect to purchasing, recording, authorizing, and reconciling investment accounts. The College District's designated investment officers will be responsible for all investment decisions. Written signature authorization of two of the aforementioned investment officers will be required to execute all investment purchases or sales.

As part of the annual financial audit, the external auditors will perform a compliance audit of management controls on investments and adherence to investment policies and procedures.

Delivery Versus
Payment

All security transactions (with the exception of pool or money funds) by the College District will be settled "delivery versus payment." That is, the College District authorizes the safekeeping institution to release its funds only after a purchased security has been received by the institution.

Competitive Bidding
Required

All investments will be purchased or sold on a competitive basis with bids or offers from a minimum of three College District authorized brokers/dealers for the best yield and maturity. New issue agencies must be compared to comparable securities as a competitive bid.

Monitoring Credit
Ratings

The investment officer or investment adviser will monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by policy, the investment officer or adviser will notify the CFO of the loss of rating, conditions affecting the rating, and possible loss of principal with liquidation options available, within five days after the loss of the required rating.

Loss of Credit
Rating

The College District will monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research or with the assistance of brokers/dealers, banks, safekeeping agents, advisers, or other independent sources. In the event that the credit rating of any security falls below the minimum required rating, the College District will take all prudent measures that are consistent with its policy to liquidate the investment.

The College District is not required to liquidate investments that were authorized investments at the time of purchase. [See 2256.017]

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

Monitoring FDIC Coverage	<p>The investment officer or investment adviser will monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the College District based upon information from the FDIC. If any bank has been acquired, or merged with another bank in which brokered CDs are owned, the investment officer or adviser will immediately liquidate any brokered CD and/or interest-bearing investments that place the College District above the FDIC insurance level.</p>
Reporting	<p>Not less than quarterly, a written report of investment transactions for all funds will be prepared and signed by the investment officers and will be submitted to the Board. Reports will be prepared in accordance with requirements as specified in Section 2256.023, Texas Government Code. The quarterly written reports will be reviewed annually during the compliance audit of an independent auditor with the results reported to the Board.</p>
Market Price	<p>The investment portfolio will be marked to market monthly. Pricing information will be obtained from sources deemed independent and comparable by the associate vice president of accounting and financial reporting or the associate vice president/controller. If the price of a security is not available, the price may be estimated by analyzing similar securities' market values (matrix pricing).</p>
Training	<p>The College District's chief financial officer, the associate vice president of accounting and financial reporting, and the associate vice president/controller, being designated by the Board as the investment officers for the College District, will receive ten hours of instruction in accordance with the PFIA of the State of Texas within the first 12 months of assuming the position. Every succeeding two years the officers will receive at least ten additional hours of training relating to investment responsibility from an independent source approved by the Board.</p>
Investment Policy Review and Adoption	<p>The College District's investment policy will be adopted by written resolution of the Board stating that the Board has reviewed the investment policy and strategy and will include any changes made to either. The investment policies and strategies will be reviewed by the Board not less than annually. All revisions will be formally approved by the Board.</p>
Investment Strategy	<p>The College District maintains portfolios that use four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolio(s). The weighted average maturity of the overall portfolio will not exceed one year.</p> <p>Strategies for the investment of College District funds will address:</p>

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

1. Investment suitability as it relates to the financial requirements and credit concerns of the College District;
2. Preservation and safety of principal to ensure that capital losses are avoided whether they be from defaults or erosion of market value;
3. Liquidity to the extent needed to pay the College District's obligations as they become due;
4. Investment marketability provided the need arises for the College District to liquidate the investment prior to its maturity date, although securities of all types are purchased with the intention of holding until maturity;
5. Investment diversification by maturity and market sector; and
6. Yield to attain the best yield on investments, while considering risk constraints and cash flow needs; the basis or benchmark used to determine whether market yields are being achieved will be the one-year Treasury Bill chosen for its comparability to the portfolio's maximum weighted average maturity.

Operating Fund

The primary objective of the investment strategy for the operating fund will be to ensure that anticipated cash flows are matched with adequate investment liquidity. Maturities will be staggered to meet operating expenditures, based on known and projected cash flows and market conditions. Thirty-six months is the maximum maturity for the majority of securities in the portfolio.

Building Fund

The primary objective of the investment strategy for the building fund will be to ensure that maturities are matched with anticipated cash flows. Maturities will be staggered so that they coincide with estimated draw down dates based on construction schedules and estimated project completion dates.

Debt Service Fund

The primary objective of the investment strategy for the debt service fund will be to ensure that investment liquidity is adequate to cover each succeeding debt service obligation on the required payment date. No investments may be made that exceed the next unfunded debt service payment date.

Debt Service
Reserve Funds

Debt service reserves have no anticipated expenditures. The funds are deposited to provide annual debt service payment protection to bond holders. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the College District is best served by locking in investment maturities and reducing liquidity. If the arbitrage yield cannot be exceeded, the concurrent market conditions

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields. Managing the portfolios maturities to not exceed the call provisions of the bond issue will reduce the investment's market risk if the College District's bonds are called and the reserve fund liquidated. No investment maturity will exceed three years. All portfolio investments will be in compliance with bond covenants and insurance requirements of all bond issues.



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
 3452 Spur 399
 McKinney, TX 75069
 Telephone: (972) 758-3840

Third Party Billing Contract

THIS CONTRACT (Contract) made and entered, BETWEEN:
Collin County Community College District (CCCCD) of
 3452 Spur 399, Suite 322, McKinney, Texas, 75069
 (Herein referred to as the "College") - **AND -**

_____ of
 _____ (City)
 (Hereafter referred to as the "Vendor")

BACKGROUND:

- A. The College and Vendor enter into a third party billing contract (Contract) whereupon Vendor agrees to pay College for tuition, fees, and/or other services as authorized by this Contract.
- B. The duration of the Contract, specific costs covered, and amount for which the Vendor will be responsible are defined in the spaces provided.

1. The contract Duration (not to exceed two years*): _____
 (*Exception: Recognized city and/or county/municipality government entities may agree to an open ended agreement which will remain in effect by mutual agreement and/or until terminated in writing.)

2. The costs to be paid by Vendor:
 (Indicate with an 'X'): _____ Tuition _____ Fees _____ Other*
 Maximum per student: \$ _____
 and/or Maximum per this Contract: \$ _____
 and/or amount _____ As Needed for Vendor identified eligible students.

Additional items funded*, details, and/or requests included in Exhibit A and/or a specific list of students (their corresponding social security number and/or birthdate, course(s) in which to be registered, and amount to be paid by the Vendor for each student), Exhibit B, is to be considered part of the Contract.

It is understood College will invoice the Vendor and that payment is due upon receipt of invoice by Vendor. This Contract may be cancelled by either party with thirty (30) day written notice. However, cancellation does not preclude Vendor or College from fulfilling obligations incurred prior to the cancellation of the Contract.

Vendor Name _____
 Primary Contact _____
 Billing Address _____

 Phone Number _____
 FAX Number _____
 E-mail Address _____

C. FERPA (Family Education Rights and Privacy Act) Vendor and College agree to the following:

The privacy of students' education records, including those contained in CCCCD's automated systems, is protected by the Family Educational Rights and Privacy Act 1974 (FERPA). Only directory information, as specified in CCCCD's catalog and Student Records Policy, may be released without the student's prior written permission. *A vendor requiring additional information be included in the Collin invoice for these contracted services acknowledges and stipulates they obtained the student's written permission for Collin to release the vendor required information as a condition of the third party funding benefit provided to the recipient/student.*

PERSONALLY IDENTIFIABLE INFORMATION, INCLUDING EASILY TRACEABLE INFORMATION, COURSE GRADES AND ATTENDANCE RECORDS, ARE NOT PROVIDED OR RELEASED BY THE BURSAR OFFICE.

D. Additional Terms:

1. The College and the Vendor agree to perform all their obligations under this Contract in good faith.
2. No part of the Contract may consist of acts in violation of any local laws, codes, statutes, ordinances, regulations, rules or any other requirements; and the College may immediately cancel this Contract for any such violation.
3. The Vendor's representative warrants that by signing this Contract it has the authority to bind the Vendor to the terms and conditions of this Contract. Facsimile and Electronic signatures are binding and are considered to be original signatures.
4. This Contract contains the entire Contract between the parties relating to the Third Party Billing, including Exhibits. Contract cannot be changed except by written instrument.
5. This Contract and the terms and conditions contained in this Contract apply to and are binding upon the Vendor's successors, assigns, executors, administrators, beneficiaries, and representatives, and the College's successors and assigns.

IN WITNESS WHEREOF the Vendor and the College have duly executed this Contract as of the date last written below.

Collin County Community College District

(College)

(Vendor)

By: _____

(Signature)

(Signature)

(Name of Signatory)

(Name of Signatory)

(Title of Signatory)

(Title of Signatory)

(Date)

(Date)

For Office Use Only:	Vendor ID _____
----------------------	-----------------

Exhibit A

***Special Instructions, including but not limited to the Vendor's preferred method for identification to Collin of individuals eligible for funding under this Contract, i.e., vouchers, Exhibit B listing, etc.:**

Exhibit B
Students Associated with Contract -

	Student Name (<i>Please Print</i>)	CWID/Last 4 of SSN	Date of Birth	Term	Limit Amount
1					\$
2					\$
3					\$
4					\$
5					\$
6					\$
7					\$
8					\$
9					\$
10					\$
11					\$
12					\$
13					\$
14					\$
15					\$
16					\$
17					\$
18					\$
19					\$



FIXED ASSET NEW ASSET FORM

Requester's Name: _____ Date: _____

1. ASSET DETAIL:

Item Description: _____ Cost \$ _____
Purchase Order Number: _____ Cost Center: _____
Asset Tag#: _____ Date Received: _____
Make/Model: _____ Serial Number: _____
Room#: _____ Campus Location: _____

2. ASSET DETAIL:

Department Contact's Name: _____ Date Received: _____

3. COMMUNICATION DETAIL:

Plant Ops (Signature): _____ Date: _____

For Fixed Asset Dept. Use Only

Processed by: _____ Date: _____
Asset ID: _____ Asset Total Cost: _____
Asset Class: _____ Spend Category: _____
Vendor Name: _____ Line Item(s): _____
Grant (if applicable): _____ Invoice: _____

Comments:



FIXED ASSET TRANSFER FORM Exhibit 8.9

Requester's Name: _____ Campus: _____ Date: _____

1. ASSET DETAIL:

Item Description: _____

Asset Tag Number: _____

Make/Model: _____

Serial Number: _____

PO# (if known): _____

Original Location: _____

2. TRANSFER DETAIL:

New Location: _____

Contact Name: _____

Effective Date of Transfer: _____

Acquiring Cost Center: _____

Cost Center Manager's Approval: (Signature) _____

3. COMMUNICATION DETAIL:

Originating Plant Ops (Signature): _____

Date _____

Receiving Plant Ops (Signature): _____

Date _____

For Business Office Use Only

Processed by: _____

Date _____

Asset ID: _____



FIXED ASSET RETIREMENT FORM

Requester's Name: _____ Campus: _____ Date: _____

1. ASSET DETAIL:

Item Description: _____ Asset Tag Number: _____

Purchase Order Number (if known): _____ Retiring Cost Center: _____

Serial Number: _____ Storage Location: _____

Condition: Obsolete ___ Non-repairable ___ Costly to maintain ___ Trade-in ___

For Plant Ops Use Only. This item is to be:

Auctioned ___ Traded-in ___ Recycled ___ Scrapped ___ Other _____

2. RETIREMENT DETAIL:

Cost Center Manager (Printed Name) _____ (Signature) _____

Date Retired: _____

3. COMMUNICATION DETAIL:

Plant Ops (Signature): _____ Date _____

NOTE: For your convenience, you may complete one form and attach spreadsheet if there are multiple assets being retired.

For Fixed Asset Dept. Use Only

Processed by: _____

Date: _____

Asset Cost: \$ _____

Net Book Value: \$ _____

Asset ID: _____



The purpose of this manual is to provide employees with information about Collin College's JPMorgan MasterCard program, also known as the Collin T-Card Program. It also provides a guide which is consistent and fair to each employee, while managing costs and ensuring compliance with Federal and State regulations and College policies.

The privilege and convenience of having a Collin College T-Card carries with it great responsibility and accountability. The procedures in this manual will help you:

1. Learn and understand the T-Card procedures.
2. Understand the benefits of the T-Card.
3. Use the card in the prescribed manner.
4. Eliminate errors in documentation and reconciliation.

The T-Card program is administered by the Accounts Payable department within Business Administrative Services. Emails related to T-Cards should be sent to tcard@collin.edu. Travel emails should be sent to acctspaytravel@collin.edu.

A. Definitions

1. **T-Card** – JPMorgan MasterCard issued credit card in the employee's name to be used for College business; paid monthly by College.
2. **Cardholder** – eligible full-time employees based on job requirements; it is recommended all employees traveling on College business obtain a T-Card for travel purposes. On a case by case basis, part-time employees traveling on College business may obtain a T-Card with proper justification and approval.
3. **Statement Period** – monthly billing cycle is from the 27th of the month to the 26th of the following month; Example: March 27th begins a new cycle which ends April 26th.
4. **Monthly Cycle Card Limit** – each Cardholder has a credit limit based on his/her role and responsibilities; at the beginning of each cycle (typically the 27th of each month), the card usage resets to \$0, thus providing cardholder with replenished credit limit.
5. **T-Card limit increase** – based on proper justification and subject to approval, a temporary or permanent T-Card credit limit may be requested by completing the T-Card Credit Limit Adjustment Request Form, submitting it to the employee's supervisor for approval, then to the T-Card Coordinator.

6. **MCCs** – Merchant Category Codes are used to identify the type of business in which a merchant is engaged; each Cardholder is placed in a group which is restrictive by MCCs based on the Cardholder’s role and responsibilities.
7. **T-Card Coordinator** - Collin Business Office employee whose responsibilities include monitoring T-Card usage for appropriateness, approving T-Card expense reports, notifying employees when T-Card reconciliation is due, and who is available to assist cardholders for T-Card related problems/questions.
8. **Reconciliation** – process to account for and report monthly T-Card transactions by submitting an Expense Report with appropriate documentation in Workday based on the [monthly statement](#) and by the 10th of the month; Example: for statement period Mar 27th ending April 26th, the Expense Report deadline is May 10th. **EXCEPTION:** T-Card transactions connected with travel should be submitted only after travel has occurred and should be included in the employee’s Travel Expense Report. Note: Expense Reports are charged to the fiscal year in which the travel occurred, which may differ from when the spend authorization was approved. See Collin Travel Procedures for additional information.
9. **Travel Procedures** – District procedures specific to traveling on College business; a spend authorization must be approved before incurring any charges for travel; an expense report must be submitted after travel to account for all expenses incurred while traveling, including those expenses paid for with the Collin T-Card.

B. Roles and Responsibilities

1. T-Card Program Coordinator Responsibilities
 - Assists Cardholders and approvers with enforcement and interpretation of T-Card Procedures
 - Provides training, support and resources for Cardholders and Approvers.
 - Sets up, adds, changes, and deactivates T-Card user information and profiles.
 - Assists Cardholders with system access maintenance and credit card transactional issues.
 - Reviews all transactions for appropriateness.
 - Final approver for T-Card expense reports, after employees’ manager and cost center manager;
 - Adjusts credit limit based on approved adjustment requests during normal business hours, Monday-Friday.
 - Provides T-Card support for after work hour emergencies for employees when traveling and credit card is declined; after hours #214-326-9851.
2. Cardholder Responsibilities
 - Report lost or stolen T-Card immediately to JPMorgan Chase and the T-Card Coordinator.
 - Must attend training and sign T-Card user agreement before receiving T-Card.
 - Accountable for all activity of the T-Card; may review transactions online.
 - Uses T-Card for appropriate College business purpose and in accordance with the T-Card Procedure Manual.

- Safeguards the T-Card by keeping it securely in his/her possession, signs the back of the T-Card, and destroys an expired or replaced card.
- Maintains physical security of card at all times by not allowing others to use the T-Card, nor revealing card number where others may find and use card.
- Obtains and submits proper documentation for all transactions when completing expense reports.
- Verifies account statement against source documents.
- Reconciles account statements and completes reconciliation by the 10th day of the month following close of the T-Card statement cycle. Failure to reconcile T-Card charges after repeated attempts from AP to cardholder will result in card limit reduction to zero. **Limit will not be increased until report is completed. Continued failure to complete expense reports in a timely manner may result in credit card cancellation.**
- Ensures all credits for any T-Card transactions are posted back to the T-Card. Cash refunds on returns are prohibited.
- Ensures there is adequate available budget to cover the purchase.
- Obtains appropriate approval for purchases from supervisor prior to making purchase.
- Consider purchase amount ahead of time in the event a temporary limit increase is needed. You must allow a minimum of 24 hours for any limit increase to become effective.
- Utilize tax exempt form for all purchases since the College is exempt from sales tax. (If paid, sales tax will be the personal responsibility of the cardholder.)
- Review and be familiar with Travel Procedures prior to making travel arrangements.
- The cardholder must resolve disputed transactions with the Supplier and JPMorgan Chase. The cardholder should notify JPMorgan immediately for resolution and T-Card Coordinator should be informed to provide further guidance and assistance.

3. Supervisors'/Cost Center Managers' Responsibilities

- Authorizes employee's use of T-Card.
- Authorizes change in credit limit for employee with proper justification.
- Ensures transactions are properly authorized.
- Verifies appropriateness and reasonableness of purchases, both in general terms and regarding the specific fund used.
- Retrieves card from terminated employee.
- Notifies T-Card Coordinator of changes within department.
- Notifies T-Card Coordinator of T-Card misuse.
- Reviews and approves employee's reconciliation within a timely fashion (two business days).

C. Termination of Employment

1. Cardholder must return the T-Card to supervisor at the same time of resignation notice to supervisor. Cardholder must reconcile and document all transactions up to the date of the Cardholder's resignation.
2. If the Cardholder's employment is terminated by the College, the supervisor must collect the T-Card from the Cardholder at the time of termination notice along with all

documentation supporting transactions completed by the Cardholder up to the day of terminations.

3. The cardholder or cardholder's supervisor should notify the T-Card Coordinator of separation.
4. Once Supervisor receives card from terminated employee, supervisor should destroy (shred) card.

D. Appropriate T-Card Usage

1. Travel Expenses
 - a. The T-Card program is designed to be utilized for business travel related expenses after a spend authorization has been approved. Travel expenses include the following:
 - b. Registration (In Person/Virtual)
 - c. Transportation/baggage
 - d. Accommodations/Lodging
 - e. Parking/Rental Car and fuel for rental car/Tolls/taxi, Uber/Lyft
2. Non-Travel Expenses
 - a. Credentials/Licensing
 - b. Fingerprinting
 - c. Supplies (minor supplies not on a punchout)
 - d. Subscriptions/publications/books
 - e. Postage
 - f. Meeting expenses (all food should be purchased through Collin Catering or America to Go)
 - g. Memberships
 - h. Rental of minor/small dollar equipment for events
 - i. Media buys for non-contracted vendors (i.e. radio ads, advertising in Allen Image/Plano Profile, etc.
 - j. Up to \$100 for approved retirement celebrations (no gifts for retirees).

E. Prohibited T-Card Usage

Note: While this is a comprehensive list, it is not possible or practical to anticipate all purchases that may be considered inappropriate. A few rules of thumb should be utilized when considering whether to use the T-Card to make a purchase:

- ✓ Is this transaction for an appropriate business purpose?
- ✓ Is this the best use of taxpayer dollars?
- ✓ Public funds may not be used for a private purpose.
- ✓ Remember: The T-Card should not replace the procurement process; contact the Purchasing department if you are not sure if an item is available through a contract in Workday, or query Workday-**Find Supplier Contracts**.
- ✓ Cards which show unreasonable, excessive or unauthorized expenses will be subject to audit and may result in the termination of T-Card privileges. Unauthorized transactions or those of a private nature that is proven to be inappropriate will be recovered by deductions from the employee's paycheck in the next payroll cycle.

1. Prohibited T-Card Transactions:
 - a. Items available through a purchasing contract in Workday. Refer to Purchasing for a complete list of contracts, or review Workday report Supplier Contracts – Collin.
 - b. Gift Cards
 - c. Personal charges of any kind
 - d. Do not use for Apple Pay or Android purchases
 - e. Computer Equipment and Accessories; utilize Workday procurement system to obtain.
 - f. Software licenses; utilize Workday procurement system.
 - g. Maintenance Agreements for service; utilize Workday procurement system to obtain.
 - h. Weapons; Police Dept and Law Enforcement Academy may procure through purchasing department.
 - i. Alcohol (except for approved programs and events)
 - j. Charitable Contributions
 - k. Political Contributions
 - l. Controlled substances & prescription drugs
 - m. Consultants, speaker fees/honorariums; typically, any transaction that may require a 1099-NEC or 1099-MISC to be issued for the service.
 - n. Travel insurance
 - o. Cash advances
 - p. Receiving cash for T-Card returns; all returns must be credited against the T-Card account.
 - q. Traffic and/or parking violations, fines, late fees or penalties;
 - r. Repairs to personal vehicles; towing
 - s. Gasoline when mileage is being reimbursed; exception: when refueling rental car
 - t. Celebratory events when there is no business purpose, including employee or student birthdays, baby or wedding showers, or gifts. Gifts or flowers for condolences
 - u. Personal entertainment expenses (movies, spa visits, golf outings, optional conference activities not included in conference registration)
 - v. Hazardous or radioactive chemicals and materials
 - w. Furniture
 - x. Printing
 - y. Effective 9/1/2023, meals during travel should NOT be placed on the T-Card. Per Diem should be added to your Travel expense report for reimbursement, after your trip.
 - z. **When in doubt ASK!**

Exceptions to these prohibitions requires the advance written approval of the appropriate leadership team member and/or the Business Office, or legal counsel.

F. Violations of T-Card Usage-Fraudulent Use of the T-Card

The term “fraudulent use” refers to the use of the card with a deliberately planned purpose and intent to deceive and thereby gain a wrongful advantage for oneself or others. In addition to the College receiving reimbursement from the Cardholder, any or all of the following actions may occur when fraudulent use of the card occurs:

1. Immediate suspension of card privileges.
2. Removal of Cardholder’s purchasing authority.

3. Formal disciplinary action, which may result in termination of employment.
4. Any Actions deemed appropriate by the college, including criminal prosecution.

G. T-Card Limits (exceptions may exist due to employee's role and responsibilities)

	Amount
Departmental Administrative Assistants	\$500-\$2,000/month
Faculty/Staff	\$500-\$1,600/month
Executive Administrative Assistants	\$2,000-\$3,000/month
Directors, Deans,	\$1,000-\$3,000/month
Executive Leadership	\$2,000-\$5,000/month



Administrative Services

TRAVEL PROCEDURES

Employees are encouraged to keep abreast of the latest trends in education, to grow professionally, and to work cooperatively with other professionals both inside and outside the College District. Employees may take professional trips from time to time to attend workshops, professional conferences, training, and other job-related events.

Reimbursement for **local travel** will be entered into Workday as an **Expense** report. When creating the Expense Report, Local Travel should be selected as the Business Purpose. Complete the [local travel form](#) and attach to the report before submission. See instructions and procedures for claiming reimbursement for local travel - [Local Travel Guidelines](#).

All employees are responsible for reviewing travel guidelines prior to travel. It is highly recommended employees attend a Workday Spend Authorization class prior to traveling and an Expense Report class subsequent to traveling.

Guiding principles

- a. Support the productivity and safety of those traveling on Collin College business.
- b. Ensure compliance with internal and external procedures and policies.
- c. Use Collin College resources wisely.

A. General travel considerations

1. Employees should neither gain nor lose personal funds as a result of business travel on behalf of Collin College. When a third party is paying for a portion of travel expenses, then it should be disclosed on the expense report.
2. **Necessary approvals** must be obtained **prior** to travel by submitting a Spend Authorization prior to incurring any travel expenses. Employee may be required to reimburse college for any unauthorized travel.
3. Book airline tickets a minimum of fourteen (14) days in advance in order to obtain reasonably priced tickets and optimal travel times.
4. Adequate budget must exist to cover travel expenses.
5. Trip Cancellation - In the event of inclement weather or other extenuating circumstances beyond the employee's control, it is the **employee's responsibility** to obtain credits and/or refunds for any advance purchases made for travel and to notify Accounts Payable at acctspaytravel@collin.edu of anticipated credits. This includes registration, hotel, and airfare.
6. Collin College encourages employees who travel to obtain a T-Card. This credit card is to be used for all travel expenses, including registration. If a T-Card is not desired, then a personal credit card may be used for travel expenses. Reimbursement for charges on a personal credit card will not occur until after travel has been completed and expense report fully approved. To apply for a T-Card click [here](#).

7. T-Cards should be used to book airfare and hotel accommodations **directly** through the airline or hotel. **Travel or Booking agencies, such as Expedia, Priceline, or Travelocity, are not permitted.**

B. Definitions

1. **Appropriate Expense**

An expense that is suitable or fitting for a particular valid business purpose.

2. **Allowable Expense**

A necessary, reasonable, and appropriate expense incurred for the primary benefit of Collin College and/or by the terms of federally or privately sponsored agreements.

3. **Reasonable Expense**

An expense that is ordinary and reflects a **prudent** decision to incur the expense on behalf of Collin College. It should be neither extreme nor excessive. It is important for the employee traveling on behalf of the college to be a responsible steward of public funds used for this purpose.

4. **Necessary Expense**

Minimum purchase and service required to achieve a particular business objective.

5. **Business Travel**

Travel on behalf of Collin College for the purpose of attending either professional development opportunities, training, meetings or to conduct business on behalf of and for the benefit of Collin College.

6. **Receipts**

These are detailed or itemized documents issued by the vendor or service provider to describe and substantiate the business transaction. Itemized receipts are required for all expenses except per diem when completing the expense report. Scanned or electronic receipts are acceptable forms of documentation on the Expense Report.

7. **Per Diem**

Per Diem is an allowance determined by the U.S. government to cover meals and incidentals while traveling for business purposes. Per Diem amounts are published by the General Services Administration (Domestic) and are specific to major cities. A deduction from the daily per diem is made for meals provided at a conference or business meeting. Seventy-five (75%) of the daily per diem allowance is provided on the first and last days of travel. Per Diem is reimbursed on the expense report **AFTER** the trip has occurred. **Do not use Business Meals expense for Per Diem.**

8. **Business Meals**

Business Meals expense item should only be used when an employee is expensing meals paid for the employee and non-employees during a business meeting. A valid business purpose for the meal, and names of non-employees (attendees) must be provided when submitting an Expense Report for this expense type. **Preapproval should be obtained prior to incurring this expense.**

9. **T-Card**

T-Cards are credit cards issued to a college employee to use when purchasing items or traveling for the college. T-Cards can be used by employees for all travel expenses – registration, airfare, hotel, car rental, and transportation.

Two types of reports are submitted with T-Card charges:

- **Non-travel reconciliation report** – Business Purpose is Non-Travel/T-Card. These reports are completed monthly, include non-travel charges only, and must include a copy of the JP Morgan credit card statement. Credit card statements are released on the 26th of each month. T-Card reconciliation reports should be created on/after the 1st of the following month and are to be submitted by the 10th.
EXCEPTION – The last JP Morgan statement of the fiscal year, dated August 26th, must have a report dated August 31st or before. If the report is not dated August 31st or before, then the credit card transactions will be charged to the wrong fiscal year.
- **Travel reports** – Business Purpose is Professional Development or COE. These reports are submitted only after travel has occurred, all credit card charges have feed into Workday, and does not require the JP Morgan credit card statement.

C. Travel Expenses

1. Approval and Deadlines

All travel requires approval, even when travel expenses are paid by a third party or there are no expenses incurred. Neither a Spend Authorization nor Expense Report are required if travel expenses are Zero (\$0.0) dollars. Approvals by the employee's supervisor and cost center manager should be completed in a timely manner (within 24-36 hours) since the price of airline tickets can fluctuate from one day to the next. Employees should complete and submit an expense report within 10 business days after returning from travel. In some cases, credit card charges/credits may take longer to feed into Workday. The expense report should not be submitted until all credit card charges and credits have fed into Workday and are added to report.

All travel reimbursements to employees are made with an EFT transaction to the employee's bank account selected by the employee for reimbursements. It is the employee's responsibility to ensure Business Administrative Services has correct bank routing and account information. Funds may be deducted from the traveler's salary due to over payment by the college or improper use of funds.

2. Registration

Conference registrations should be paid using the employee's assigned T-Card. The employee should select the lowest cost registration meeting their requirements at the conference. If an association membership is being offered for a lower registration fee, select the lowest cost option:

- registration fee for non-member, or
- member registration fee + association fee

In the event credit card payments are not accepted, a Supplier Invoice Request should be submitted for payment. A copy of the Spend Authorization will need to be attached to the Supplier Invoice Request.

3. Mode of Transportation

The mode of transportation (personal vehicle, rental car, airfare) used by the employee for professional travel should be the one which provides the **LOWEST TOTAL** cost to the District. Additional days of leave, lodging, meals and substitute pay resulting from additional time for travel by vehicle must be considered when computing cost estimates. The additional cost of airport parking, baggage fees, and transportation to and from the airport can be considered when computing the cost of flying. The exception to the rule is travel within Texas. It is at the traveler's discretion to fly or drive when traveling within Texas, since the total cost to fly versus drive are usually not significantly different.

a. Airfare

Airfare may be purchased with the employee's T-Card or personal credit card. The airfare selected must be the most economical for the District.

1. Advance Ticket Purchase: Every effort must be made to book airline tickets a minimum of fourteen (14) days prior to travel. Allow a reasonable amount of time for the Spend Authorization to be approved when determining the 14-day window. After receiving approval for travel, the employee should purchase their tickets as soon as possible to secure the lowest fare.
2. Lowest fare: Employees should select the lowest airfare meeting his/her scheduled requirements. Select the lowest fare that allows and includes seat assignments and one bag. The College does not pay for seat upgrades that have an additional charge. This includes, but is not limited to, Early Bird, Main Cabin Extra, Premium Cabin, and First Class. Travel insurance is not reimbursable.
3. Special Accommodations: Any special accommodation request must be authorized by HR prior to travel. The approval from HR needs to be attached to the Spend Authorization before submission.
4. Exchange Tickets: Once airfare has been issued and paid, the District does not allow changes to a ticket resulting in additional costs. Changes in flight arrangements made at the traveler's convenience which results in additional charges must be paid by the employee. (Exceptions are allowed in cases of inclement weather or medical emergency for the employee or the employee's immediate family.)
5. Trip Cancellation: In the event an employee has already booked travel and must cancel a trip due to circumstances outside the employee's control, the employee should notify Accounts Payable of the cancelled trip. An expense report must be submitted expensing charges made on the T-Card. It is the responsibility of the employee to cancel and obtain credits for all reservations made, including registration, airfare, hotel, etc. An advantage for booking Southwest Airlines, Wanna Get Away Plus tickets, is the amount of the ticket is credited back to the employee and the credit can be transferred to another Collin College employee.
6. Baggage – Collin College allows one checked bag charge for each travel direction.
7. WiFi- Reimbursement for WiFi while in flight is not permitted.
8. SWA Platform- Southwest Airlines Platform provides additional benefits for the college when booking travel. Some of these include discount flights, no booking fees for group travel, free cancellations, etc.

b. Driving

See Mode of Transportation above for criteria used in determining the most economical mode of travel. It is at the traveler's discretion to fly or drive when traveling **within Texas**, since the total cost to fly versus drive are typically not significantly different.

c. Ground Transportation

The type of transportation used should be selected based on the most economical to Collin College. Ground Transportation includes shuttle, taxi, Uber, Lift, bus, and rental car.

d. Car Rental

1. Car rental can be paid for with an employee's T-Card or personal credit card. Collin College will pay for a full-size or smaller rental vehicle. If an employee chooses to rent a larger vehicle, the additional cost beyond that of a full-size vehicle will be at the employee's expense.

2. If using a personal credit card, reimbursement will not occur until after travel is completed and the expense report has been fully approved.
3. When renting a car, **do not direct bill Collin College**. Pay with T-card or personal card.
4. **When renting a vehicle in Texas, a [Car Rental Tax Exempt Form](#) must be presented to the rental agency.**
5. Prior to returning the rental car, employees need to fill the gas tank.
6. Additional insurance should **not** be purchased.
7. The preferred car rental agency is **Enterprise/National**. Car rental agency information can be found in Workday under the Spend Authorization.
8. Cars may be rented through the Southwest Airlines Platform (SWAP). The Collin College discount code is imbedded into the platform and will display discounted rental prices for Enterprise and National. Airfare does not need to be booked to rental a car with SWAP.

4. Hotel

When traveling within Texas, A [Texas Hotel Occupancy Tax Exemption Certificate](#) must be given to the hotel. Employees will not be reimbursed for state hotel occupancy taxes within Texas.

- a. Room and taxes will be paid by employee's T-Card or personal credit card. (This excludes Texas hotel occupancy tax.)
- b. Employees should select the conference hotel or the most economically priced lodging closest to the conference/meeting location. Discounted rooms may be found at Fedrooms.com once a profile has been set up.
- c. Allowable incidental charges incurred as part of a hotel bill may include parking and internet when used for business purposes.
- d. Personal expenses will not be reimbursed by Collin College and should not be charged to the T-Card. Personal expenses may include room service, movie rentals, and alcohol. If a personal expense is charged to the traveler's T-Card, the employee will be required to reimburse the College by marking the expense as personal on the expense report. The amount will be deducted from any amount due to the employee once travel is completed and the Expense Report fully approved. If the amount for personal expenses is greater than the amount owed to the employee, the amount owed to the College will be deducted from the employee's next paycheck.
- e. Lodging will not be provided for employees attending seminars in the Dallas/Ft. Worth metroplex **without prior VP approval**. Justification for staying at a local hotel must be provided.
- f. Utilize internet (Wi-Fi) typically provided during conference. Avoid paying for internet service unless required for performing job remotely.

5. Meals

- a. Local travel: Employees attending conferences or meetings in the DFW metroplex are eligible to receive per diem for lunch, provided it is not included as part of the meeting or conference. Reimbursements for breakfast and dinner are not allowed for local conferences, unless the employee is staying overnight.
- b. Out-of-Town travel: Per diem is automatically calculated in WorkDay based on the dates of travel and destination city. Eligible meals on days of travel are based upon the US GSA rates. 75% of the daily rate is eligible on the first and last day of travel.

- **EFFECTIVE 9/1/2023 – DO NOT use T-Cards for meal purchases.**
- Meals will be reimbursed on the expense report AFTER the trip has occurred.

6. Personal Mileage

Reimbursement for mileage is based on the current IRS mileage rates. When claiming personal mileage for out of town travel, the employee's home campus address will be utilized for the beginning and ending addresses. (**Do not use personal home address.**) Select Travel – Mileage as the Business Purpose. Two entries will be made on the report – one for miles **TO** the conference and one for miles **FROM** the conference. iCollin Virtual College employees should use the CHEC Campus as home campus address.

- a. **Gasoline:** The price of gasoline is factored into the mileage reimbursement rate and is therefore not an allowable expense when traveling by personal vehicle.
- b. **Tolls:** All tolls incurred while traveling for business are allowable expenses. Receipts are required when requesting reimbursement. An employee can access their North Texas Tollway Authority account online, download toll charges to a PDF, and attach the documentation to the expense report.
- c. **Parking:** Parking expenses incurred for business purposes are allowable expenses to be reimbursed with proper documentation.

D. Council on Excellence (COE)

Council on Excellence is a group of elected full-time faculty. One of COE's responsibilities is to oversee the distribution of professional development and travel funds for full-time faculty. Faculty should follow the professional travel procedures described in this document, as well as procedures unique to COE. Requirements for COE are described below.

1. Faculty should be familiar with [COE guidelines](#).
2. A completed [COE Justification for Travel Form](#) is required and must be attached to the employee's Spend Authorization.
3. The Spend Authorization should contain **all estimated** expenses for the trip. As part of the approval, a budget will be provided to the traveler by COE.
4. Approval for COE travel routes through the following approval path:
 - Employee's manager/direct supervisor
 - COE President
 - COE Treasurer
 - Senior Vice President of Campus Operations
5. Any expense amount exceeding the COE approved budget, will need to be covered by the Department or the traveler. A comment needs to be added to the Spend Authorization regarding who accepts responsibility. The overage will be itemized to the employee's cost center or marked personal.

E. External Grants and Innovation Challenge Grants

Travel funded by external grants should follow the strictest guidelines.

1. Faculty using Grant funds should be familiar with [Grant Guidelines](#).

2. Professional travel approved to be charged to an external grant or an innovation challenge grant, will follow the travel policies for Collin College or the Grant Agency, whichever is more stringent.

Send all travel questions

to:

acctspaytravel@collin.edu

Local Travel Form
 Collin College - Mileage Reimbursement

Employee Name	
Home Address	
One-Way Commute	
Home Campus	
Cost Center	

Expense Period	
Month	Year

Date	Official Duty	Start Location	End Location	Miles Traveled	Deduct Commute	Total Miles
Total						0

Reminders:

Local travel should be submitted within a timely manner following the end of the month, i.e. within 10 business days.

Reimbursement is in EXCESS of usual daily commute.

Mandatory not voluntary activities are reimbursable.

Only Full-time employees are eligible.

By submitting this form - I certify I am eligible for local travel reimbursement, the above information is correct, and in performance with my official duties in accordance with Collin College's policies and procedures.



**GRANTS
MANAGEMENT
HANDBOOK –
POST AWARD**

Business Office – CHEC
Nicole Lohse, Manager, Grant Accounting
(972) 758-3864
Xuexin Jin, Grants Accountant
(972) 548-6762

Table of Contents

INTRODUCTION.....	5
Types of Grants	6
<i>Direct Federal Grants</i>	7
<i>State-Administered Grants and Pass-through from a non-Federal entity</i>	7
<i>Federal Grant Eligibility</i>	7
GRANTS MANAGEMENT TOOLS, RESOURCES AND WEBSITES	8
Collin County Community College District.....	8
Federal Funding Agencies.....	8
State Funding Agencies.....	8
Informational Grant Related Manuals	8
Informational Grant Related Websites	9
GRANT FINANCIAL MANAGEMENT SYSTEMS	10
Financial Reporting and Disclosure	10
Source Documentation	11
Internal Controls.....	11
Budget Reporting and Controls.....	11
<i>Supplanting vs. Supplementing</i>	12
<i>Budget Controls</i>	12
<i>Payment</i>	13
<i>Advance Payments</i>	13
<i>Cost Reimbursement Payments</i>	13
<i>Schedule of Payments</i>	13
Basic Cost Principals.....	13
<i>Allowable Costs</i>	14
<i>Reasonable and Necessary</i>	14
<i>Allocable to the Federal Award</i>	14
<i>Applicable Credits</i>	14
<i>Unallowable Costs</i>	14
<i>Period of Available Funds (Period of Performance)</i>	14
<i>Obligation of Funds</i>	15
Accounting Records	15
AWARD NOTIFICATION.....	16
SETTING UP THE GRANT	18
HIRING PROJECT PERSONNEL	19
PURCHASING WITH GRANT FUNDS.....	20
SETTING UP THE EVALUATION PROCESS.....	23
Performance Measurement	23
Project Evaluation and Reports	24
AUDITS	25
Single Audit Requirements for Federal Programs.....	25
<i>Grantee Audit Responsibilities</i>	25
<i>Financial Statements</i>	26

<i>Follow-up and Corrective Action</i>	27
<i>Corrective action plan</i>	28
BUDGET AND PROGRAMMATIC CHANGES	29
COST SHARING / MATCH AND LEVERAGED RESOURCES	30
Tuition	30
Volunteering.....	30
Supplies	31
Equipment, Buildings and Land.....	31
Documentation	31
Leveraged Resources.....	31
COST TRANSFERS	32
DIRECT, FACILITIES AND ADMINISTRATIVE (F&A) COSTS.....	33
Direct Costs	33
Sponsored Agreements.....	33
Direct Cost Allocation Principles.....	33
Facilities and Administrative (F&A) Costs	34
Applicable Credits.....	34
F&A Requirements.....	34
DISSEMINATION OF PROJECT RESULTS.....	35
PARTICIPANT SUPPORT COSTS	35
PROGRAM INCOME	36
PROJECT PUBLICITY AND PROMOTIONS.....	36
PROPERTY MANAGEMENT.....	37
Equipment Management Requirements	37
Physical Inventory of Equipment.....	37
Control System of Equipment	37
Trust	37
Construction	37
Equipment Usage	37
Disposition	38
Collin Additional Asset Procedures	38
Intangible Property	39
Supplies	39
SUBRECIPIENT AGREEMENT AND MONITORING	40
Federal Regulations.....	40
Responsibilities	41
Subrecipient Monitoring Plan.....	42
<i>Annual Subrecipient Audit Verification</i>	42
<i>Subrecipient Audit Findings Follow-up</i>	43
<i>Subrecipient Site Visits/Further Review</i>	43
Record Retention.....	43
Fixed Amount Subawards	43

TIME AND EFFORT DOCUMENTATION	44
TRAVEL	46
COMPLETING AND CLOSING OUT A PROJECT.....	47
RECORD RETENTION	48
Requests for Transfer of Records.....	48
Methods for Collection, Transmission and Storage of Information	48
Access to Records	48
Restrictions on Public Access to Records	49
OTHER CONTRACT REQUIREMENTS.....	50
Federal Funding Accountability and Transparency Act (FFATA)	50
Debarment and Suspension	50
Equal Opportunity Employer - EOE	50
Americans with Disabilities Act - ADA.....	51
Jobs for Veterans Act – Pub L 107-288	51
TERMINOLOGY.....	52

INTRODUCTION

Congratulations! You have applied for a grant, and it has been funded. All the hard work and time you spent in preparing the grant application has paid off. You are about to begin an exciting and rewarding process. It is time to bring the project to life!

The *Grants Management Handbook – Post Award* does not cover pre-award procedures. All proposal/applications must be approved by the Leadership Team before submission to the agency. At least a week before submitting a grant proposal/application, the Grant Management Office should send the proposal, budget and budget justification to the Grant Accountant for review of any budget errors or omissions. The Grant Management Office needs to send a copy of the final grant proposal/application to the Grant Accountant after submission.

Although implementing a grant-funded project is exciting, it can seem overwhelming. You may have many questions such as:

How do I set-up the project budget? What are budget categories?

What do I need to do to hire project personnel?

How do I purchase equipment or services?

What records and information do I need to compile and save?

What is cost sharing or matching and how do I document?

How can I revise the project budget?

How do I prepare for an audit?

If you are a new Principal Investigator (PI) or Project Director (PD), these and other questions probably concern you. “What do I do first? Who can I call for help?” In response to these questions this *Grants Management Handbook – Post Award* has been prepared to help you successfully implement and manage your project.

The activities you undertake in the first few weeks of your project are crucial to its success. These activities will, in large measure, set the tone of your project and determine whether the project will be a success. Delays in setting up a budget, hiring personnel, securing computers and supplies at the beginning can cause problems throughout the grant. Delays are considered a performance issue by agencies. Are you on target to meet your goals? Will you expend all the funds awarded to you? Will your grant pass an audit? The likelihood of success is greatest when your project gets off to a good start.

As the Principal Investigator or Project Director, you will have to simultaneously learn College and District policies and procedures needed to accomplish project activities and learn funding source regulations and policies.

Combining your grant proposal, the award letter, terms of your grant and the *Grants Management Handbook – Post Award* provides you with the information you need to implement and manage your project. You also can find Collin College procedures and forms on CougarWeb. College and District procedures must also be followed while administering the grant. You must be familiar with all these documents. Training for you and your staff is available for business office, procurement and human resource procedures. Your grant proposal includes a list of objectives and a timetable for implementation. The terms of the grant are the specific laws and/or rules which you must follow in the implementation and management of your project.

In the case of multi-year grants, it is also important to review the continuing award documents carefully each year for new terms and conditions or requirements that may not have been included in the original award documents. It is also not uncommon for program officers to send additional information only to the PI concerning new requirements or changes. The PI should review these and provide them to the Grant Accountant to allow continuity of process.

If a Project Director leaves the project before completion, supervisors of the terminating Project Director must agree to be responsible to the Grant Management Office for grant paperwork and activities until a new Project Director is hired. Funding sources are increasingly intolerant of failure to accomplish objectives due to vacancies or delays in hiring.

Collin County Community College will comply fully with all applicable Federal, State, and Local laws, regulations and policies and maintain internal control of procedures and operations to provide reasonable assurance of compliance with these requirements. Uniform Grant Guidance (UGG) (2 CFR 200) went into effect as of December 26, 2014. Collin College has elected to manage all federal awards and awards with incremental funding received before December 25, 2014, per the original CFR regulations. Collin College employees will follow applicable conflicts of interest requirements for Federal, State and Local Governments. Refer to the specifics of the award agreement and the guidelines associated with that award. Detailed manuals with the specific guidelines may be found online. The websites are listed on the Grants Management Tools, Resources and Websites section of this *Grants Management Handbook – Post Award*.

College policy mandates that only the President or their designee is authorized to sign, on behalf of the District, all agreements, contracts, grants and other documents. College employees must be specifically authorized by the President, in writing, to obligate the college to any contractual or financial agreement. A copy of that delegation should be on file in the Business Office.

Please take time to familiarize yourself with these documents and applicable regulations. Knowing what you can and cannot do, and how you must do it will save you many headaches in the future and protects both you and the college. Congratulations and good luck!

Types of Grants

A grant (or cooperative agreement) is used when the principal purpose of the transaction is to accomplish a public purpose of support or incentive authorized by Federal Statute. Fixed Amount awards definition per UGG is “a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award”. The College can receive grants directly from a federal agency, such as the U.S. Department of Labor or the U.S. Department of Education. This is known as a direct grant. When the federal grant is administered through the State, it is known as a state-administered grant. Subawards are passed-through a non-Federal entity to carry out part of a Federal program.

Direct Federal Grants

When the College receives a direct grant, the College has a direct relationship with the granting agency. Funds do not flow through another entity as is the case with state-administered grants (see below) or passed-through another entity. If funds are improperly expended under a direct grant program, the federal granting agency may request a recovery of funds directly from the College. The federal granting agency is responsible for overseeing direct grants and ensuring that the grant is executed according to all requirements, including ensuring that funds are spent appropriately.

State-Administered Grants and Pass-through from a non-Federal entity

In a state-administered and pass-through (subaward) grant, the applicable state agency or non-Federal entity is responsible for administering all aspects of the program, from approving the application for funds (either by formula or through a competitive process, depending on the program), disbursing funds, and ensuring that the College complies with the programmatic and fiscal requirements of the program.

If funds are improperly expended under a state-administered or non-Federal entity program, the College will not be required to pay back federal funds to the federal government. However, the applicable state agency or non-Federal entity may then impose sanctions on the College as a subgrantee for the failure of the College to properly expend funds.

Regardless of whether the College receives a direct, state-administered grant or non-Federal entity subaward, there are generally two types of grants: formula grants and discretionary grants.

Federal Grant Eligibility

• Formula Grant

A formula grant distributes funds based on a formula established by law. Eligibility for formula grants is typically based on criteria such as population, poverty level or number of students in special populations (such as homeless students). Under formula grants applicants are not competing for funds, but the granting agency can impose a rigorous application process upon formula funds.

• Discretionary Grants

Discretionary grants, also known as competitive grants, permit the granting agency to exercise discretion over the selection of entities for funding. The criteria for applying for and receiving a discretionary grant are defined by federal laws and, in certain cases, regulations. Under certain programs, the entity responsible for selecting grantees has relatively wide discretion in establishing competitive criteria.

GRANTS MANAGEMENT TOOLS, RESOURCES AND WEBSITES

Collin County Community College District

- Collin College and Cougar Web <http://www.collin.edu>
- Collin County Community College Board Policy Manual
<http://pol.tasb.org/Home/Index/304>
- Workday <https://collin.onelogin.com>

Federal Funding Agencies

- National Institutes of Health <https://grants.nih.gov>
- National Science Foundation <http://www.nsf.gov/>
- Small Business Administration <https://www.sba.gov/offices/headquarters/osbdc>
- US Department of Commerce <https://www.commerce.gov/>
- US Department of Education <http://ed.gov/fund>
- US Department of Energy <http://energy.gov>
- US Department of Health and Human Services <http://www.dhhs.gov/grants/index.html>
- US Department of Justice <http://www.usdoj.gov/10grants/>
- US Department of Labor <http://www.dol.gov/dol/grants2.htm>
- US Department of Transportation Federal Motor Carrier Safety Administration
<https://www.fmcsa.dot.gov/>

State Funding Agencies

- THECB (Texas Higher Education Coordinating Board) <https://www.highered.texas.gov/>
- Texas Comptroller of Public Accounts <http://www.window.state.tx.us>
- Texas Education Agency <http://www.tea.state.tx.us/>
- Texas Workforce Commission <http://www.twc.state.tx.us/>

Informational Grant Related Manuals

- Department of Commerce
http://www.osec.doc.gov/oam/grants_management/policy/default%20p2.htm
- Department of Labor – ETA reports
http://www.eta-reports.doleta.gov/CFDOCS/grantee_prod/reporting/index.cfm
- Department of Labor – Payment Management System <https://pms.psc.gov/>
- Federal Student Aid Handbook <http://ifap.ed.gov>
- G5 – Department of Education Grant Administration and Payment System <http://www.g5.gov>
- National Science Foundation Policy Manual
http://www.nsf.gov/pubs/manuals/gpm05_131/index.jsp and
https://www.nsf.gov/pubs/policydocs/pappguide/nsf16001/nsf16_1.pdf
- National Science Foundation Reporting Site <http://www.research.gov>
- Texas Workforce Commission Manual <http://www.twc.state.tx.us/partners/financial-manual-grants-contracts>
- Uniform Grant Management Standards
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- WorkforceGPS – Department of Labor <https://www.workforcegps.org>

Informational Grant Related Websites

- American Association of Community Colleges <https://www.aacc.nche.edu>
- Audit Disclosure Site <https://facweb.census.gov/uploadpdf.aspx>
- Catalog of Federal Domestic Assistance <http://www.cfda.gov> <https://sam.gov/content/assistance-listings>
- Davis Bacon Act <http://www.dol.gov/whd/govcontracts/dbra.htm>
- Department of Labor Volunteer Valuation <http://www.bls.gov/bls/blswage.htm>
- Debarment and Suspension list <https://sam.gov/content/home>
- System for Award Management (SAM) <https://sam.gov/content/home>
- Federal Funding Accountability and Transparency Act <http://www.fsr.gov>
- Grants.Gov <http://grants.gov>
- Grant Writing USA Forum <http://grantwritingusa.us/forum/>
- Information for Financial Aid Professionals(The Blue Book) <http://ifap.ed.gov/>
- Legislative Budget Board <http://www.lbb.state.tx.us/>
- OMB Circulars
 - 2 CFR Part 200 (Uniform Grant Guidance – UGG updated 3/21/2023)
https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
 - 2 CFR Part 215 (Formerly called A-110) (used for Federal awards received before 12-26-2014)
 - 2 CFR Part 220 (Formerly called A-21) (used for Federal awards received before 12-26-2014)
 - 29 CFR Part 95 and 29 CFR Part 97 (Department of Labor)
 - OMB Circular A-133 (used for Federal awards received before 12-26-2014)
 - 13 CFR 130 Small Business Development Centers
- OMB Forms <https://omb.report/>
- Standards for Internal Control <https://www.gao.gov/products/gao-14-704g>
- Texas Association of School Boards <http://www.tasb.org/index.aspx>
- Texas Legislature Online <http://www.capitol.state.tx.us/>
- USA Spending <http://www.USASpending.gov>
- US Government Printing Office <http://www.gpo.gov/>

GRANT FINANCIAL MANAGEMENT SYSTEMS

Collin County Community College will comply fully with all applicable Federal, State and Local laws, regulations and policies to provide reasonable assurance of compliance with these requirements.

The College must have a proper financial management and program management system in order to receive and expend federal, state and local administrated grant funds awarded. Failure to establish and maintain the proper management systems could result in the return of funds to the granting agency and/or the termination of the grant. This handbook focuses on the financial management of the grant.

Financial Reporting and Disclosure: accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in 2 CFR 200.328 – Financial reporting. If federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for its reports based on an analysis of the documentation on hand.

Source Documentation: records that identify adequately the source and application of funds for grant-sponsored activities. These records shall contain information pertaining to Federal, state and local awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.

Internal Controls: effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

Budget Reporting: comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.

Cash Management: written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance and redemption of checks, warrants or payments by other means for program purposes by the recipient; to the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-453) govern, payment methods of State agencies, instrumentalities, and fiscal agents shall be consistent with CMIA Treasury- State Agreements or the CMIA default procedures codified at 31 CFR Part 205, “Rules and Procedures for Efficient Federal-State Funds Transfers”.

Basic Cost Principles: written procedures for determining the reasonableness, allocable and allowance of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

Accounting Records: records, including cost accounting records that are supported by source documentation.

Financial Reporting and Disclosure

Financial reporting is an integral part of the grant process. The reports are submitted to provide financial information about a grant project and to request grant payments. Reporting requirements vary in frequency, format, due dates and detail. The grant accountants must comply with all financial reporting requirements once a grant or contract is accepted. The terms of the agreement will govern the reports to prepare and the reporting deadline of each report. Financial results for each federal program will be reported separately.

Grants Management Handbook – Post Award

Revised 3.23.23

When required by the grantor, reports will be prepared on the accrual basis without making changes to the accounting system that Collin College currently uses.

Grant accountants will verify completeness, accuracy and prepare all financial reports which must agree with the ledger. Appropriate approvals, prior to providing reports to the funding agency, must be obtained.

The PI and/or PD should work with the grant accountant to ensure that the narrative report adheres to budget records.

The College is required to submit a final report of expenditures generally 45 to 90 days after the termination date of an award. All authorized expenditures and outstanding obligations must be determined and resolved prior to preparation of this report. Accurate, timely and complete input from the Principal Investigator and department is essential to complete this report.

Source Documentation

Grant accounting shall include the details of all grant transactions, from the approval of the proposed grant to final action by the College. The College must maintain adequate documentation to demonstrate it adhered to the terms and conditions of the grant and performed the approved activities. Source documents may include purchase orders, contracts, time & effort records, supplier invoices, travel receipts and documentation, delivery receipts and payment documents (including check stubs).

Internal Controls

Internal controls are tools used to help program and financial managers achieve results and safeguard the integrity of their program. Once risks are identified and analyzed, controls should be designed in response to reasonably manage relevant risks. A strong control environment allows management and employees to maintain a positive and supportive attitude toward internal controls and conscientious management. Communication should allow for information to be identified, captured and exchanged in a form and time frame that enable people to carry out their responsibilities. Controls should be continually monitored to assess the quality of internal controls over time.

Collin College will maintain an effective control and accountability system for procedures, operations, cash, property and other assets to provide reasonable assurance of compliance with applicable law, regulation and policy requirements. Controls are implemented to ensure the adequate safeguard of grant property and that such property is used solely for authorized purposes. The College shall ensure that no one person has complete control over all aspects of a financial transaction. (*see* 2 CFR 200.303 – Internal Controls)

Budget Reporting and Controls

The initial budget proposal, along with any revised budgets developed by the PI, should incorporate plans to expend all grant funds in a timely manner. Costs are to be incurred only for goods or services that will be used or received during the project period of the grant. Purchases should not be limited in the last quarter of a grant.

Grants must have funds budgeted in such detail as required by the awarding agency. The College is required to follow the conditions of the grant that include, but may not be limited to:

- Spending funds in accordance with the approved budget of the grant;
- Returning unused balances of grant funds;
- Establishing property records of grant-acquired property, if so indicated; and
- Providing program and fiscal reports at given intervals as required.

It is the PI's responsibility to manage the project budget within the terms of the grant. The budget proposal serves as the project director's spending plan. The cost and source of the item determines the procedures used for procurement. It is the PI's responsibility to monitor and authorize all grant expenditures while making certain that all funds are expended in accordance with the approved budget, in the grant project timeline and before the grant expires. Expenditures should relate to the dates covered by the grant. No expenditure should be incurred before or after the grant beginning and ending dates unless prior approval has been received from the grantor.

The College, auditors, and field monitors must be able to compare actual expenditures to budgeted expenditures. The budget should be monitored by line item, keeping within the budget allowed for each account. Expenditures should be reviewed on at least a monthly basis, with more comprehensive reviews at the midpoint and three-quarter point of the budget period. The budget reports should be reviewed to reconcile your expenditures to the financial records and to check for accuracy of expenditures, track progress regarding expenditures. Controls within Workday prevent expenses from posting to a grant in excess of budget allocated for the ledger accounts. Any significant discrepancy will be investigated. The PI should develop any necessary revised spending plans to ensure that any necessary budget changes are submitted on a timely basis prior to the end of the budget period. Last minute budget changes are typically not acted upon favorably by funding officials.

Supplanting vs. Supplementing

The terms of most government grants include a requirement that the college ensure that grant funds are not used to supplant (i.e., replace) funds normally available to the college for its operating expenses. Supplement is to increase the level of services and supplanting would be to take the place of state, local and other federal funds. Federal funds cannot be used to pay for services, staff, programs or materials that would otherwise be paid with state or local funds.

For this reason, grant dollars are maintained under a separate fund, and all expenditures are scrutinized individually to make certain that they are part of the approved grant budget.

Budget Controls

The College publishes a Board approved Annual Budget each year. This publication includes the budget process and development procedures. Not only does the budget reflect the finances required to support the instructional programs, student programs and support services; it also serves as a control mechanism to match revenues and expenditures to prevent financial deficits. Budget planning and evaluation are continuous processes and should be a part of each month's activities. The Grant Accountants continually evaluate each individual grant's budgeted costs to actual expenditures and obligations to ensure that the program operates within the budget. Any budget modification requests that may be needed are submitted in a timely manner.

Cash Management / Payments

Collin College is required to have reasonable procedures in place to ensure the timely transfer of funds, as well as a system to monitor cash drawdowns. The College must minimize the timing between drawdown and payment, while following the specific cash management procedures applicable to the program or grant. Instructions detailing payment procedures are usually detailed in the body of the award or often in the agency's handbook or manual. The Grant Accountant obtains this information to determine the method of payment. The College's cash management procedures will be followed, as well as any Federal or State Regulations that are applicable to the grant. Payments are usually received as an advance, cost-reimbursement or a scheduled payment by way of electronic transfer or check.

Payment

Instructions detailing payment procedures are usually detailed in the body of the award or often in the agency’s handbook or manual. The Grant Accountant obtains this information to determine the method of payment. The College and District cash management procedures will be followed, as well as any Federal or State regulations that are applicable to the grant. The form of payment is usually advance, cost-reimbursement or in accordance with a schedule of payments (percentage of completion) mandated by the agency. Grants accounting will work closely with the PI to ensure that requests for payment are completed in a timely manner.

Advance Payments

Advances are usually received upon official signed acceptance of the award. When advance payment procedures are used, federal laws and regulations mandate minimizing the time that elapses between the transfer of funds from the U.S. Treasury and the disbursement of funds by the College. In addition, Collin will follow any specific guidelines stated in the grant contract. Accordingly, only enough federal funds should be advanced to meet immediate needs. See Cash Management Improvement Act (CMIA) at <https://fiscal.treasury.gov/cmia/>.

When an advance is received in the department by the PI, this payment should be taken to the Cashier’s Office and deposited in the Fund, Grant, and Ledger as provided to the PI by the Grant Accountant. The funds are deposited in a “Deferred Revenue” account assuming there have been no expenses to date and a receivable has not been booked.

Cost Reimbursement Payments

Costs incurred and paid by the college, member colleges or subgrantees, with college funds are reimbursed by the funding agency. Based on a pre-determined schedule and reporting requirements, a Request for Reimbursement Invoice, or other financial report as required by the grant agency, will be completed upon receipt of the required documentation to substantiate reported expenses. All reimbursement requests are prepared and submitted by the Grant Accountant and, unless dictated otherwise by the agency, will occur on a monthly basis. Grant Accountant will work closely with the PI to ensure that requests for payment are completed in a timely manner.

Schedule of Payments

These payments are paid in accordance with a schedule of payments, or percentage of completion, mandated by the funding agency.

Basic Cost Principals

The total costs of a grant are comprised of the allowable direct costs together with the allocable portion of facilities & administrative (F&A) costs minus applicable credits. All costs should be allowable, reasonable, necessary and allocable. (*see* OMB 2 CFR 200.402 – 411 – Basic Considerations)

Costs are classified according to the descriptions provided in Collin College’s Chart of Accounts and the cost category descriptions in the grant approved budget. For a cost to be allocated to a grant, the cost must be allowable, allocable, reasonable and necessary to complete the activities that are within the scope of the grant project and objectives.

Allowable Costs

To be considered allowable, the cost must be reasonable; must be allocable to the grant contract; must be given consistent treatment through Generally Accepted Accounting Principles (GAAP); and must be allowable per OMB circular and any other specific cost principles that may be stated in the grant award.

Reasonable and Necessary

A cost may be reasonable if the nature of the goods or services acquired, and the amount involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Consideration is also given as to whether the cost is generally recognized as necessary to complete activities that are aligned to the project's scope and objectives.

Allocable to the Federal Award

Program costs, staff time and general and administrative costs will be allocated and treated consistently over time. Program costs will be allocated to a particular cost objective, such as a grant, project, service or other activity, in accordance with relative benefits received. A cost is allocable if it is incurred specifically for the award, benefits the award, is necessary to the overall operation and can be distributed in reasonable proportion to the benefits received although a direct relationship to any cost objective cannot be shown.

Administrative costs will be allocated among programs based on the amount of time spent attending an event in an administrative capacity, actual administrative use of the items purchased, or the amount of time a contractual service spent providing any administrative services.

The College has an approved federal Indirect Cost Rate that is used to allocate indirect costs among the different programs and grants.

Applicable Credits

Refers to those receipts or negative expenditures that operate to offset or reduce direct or Facilities and Administrative (F&A) cost items. Credits such as purchase discounts, rebates, allowances, or educational discounts; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges.

Unallowable Costs

An unallowable cost is any cost that cannot be charged to the grant regardless of whether the cost is treated as direct or F&A cost. It is important to note that while a cost may be allowable under an OMB Circular, it may not be allowable under the terms and conditions of a grant program because each grant has specific programmatic goals and requirements. Therefore, it is important to always check the terms of the grant itself, to ensure a cost is allowable.

Period of Available Funds (Period of Performance)

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized. (See 2 CFR Part 200.309 – Modifications to Period of Performance)

Obligation of Funds

An obligation is when the College formally designates funds for a specific expense. It is important to obligate and expend funds in accordance with the approved budget. All obligations must occur on or between the beginning and ending dates of the grant project.

Accounting Records

Much like the requirement for financial disclosure and source documentation, the College must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Once written notification of the approved, or signed, grant award has been received by the Grant Accountant, a separate restricted record for each grant/award is created to prevent the co-mingling of funds. Source documentation for each expense is reviewed and then tracked by account and line item within each grant category. The College utilizes an encumbrance system for budgetary control for payroll and purchasing; additionally, controls are in place within the purchasing system requiring adequate budget funds be available before requisitions can be entered into the system.

AWARD NOTIFICATION

The document issued to notify the grantee that an award has been made varies among agencies. Grantors might use a Notice of Grant Award (NGA), a Notice of Award (NOA), Grant Award Notification (GAN), an award letter email or possibly even a contract - to name a few. You must immediately inform the Grant Development Office and Grant Accounting if you receive notice of an award. The document must be signed by the College and the awarding agency before implementation may begin. The award notification is a legally binding contract between the grantor and grantee. **College policy requires that only the President or their designee is authorized to sign, on behalf of the District, all agreements, contracts, grants and other documents.**

You should contact the Grant Management Office before initiating contact with the funding source. Agency Program Officers typically phone or email the contact person (listed on the proposal) to discuss clarifications, additional information needed, and budget reductions/revisions. The person contacted should request a meeting with the Grant Management Office and Grant Accounting to provide technical assistance before doing any negotiations with the awarding agency. Grants Management Office and Grant Accounting both need to have copies of any written materials received or submitted to the funding source as some correspondence becomes part of the contract.

All pertinent information regarding the award is often found in the NGA document and includes the following:

- Grant Identification Number
- Grantor Name
- Name of the Principal Investigator
- Project Name
- Approved Project Period (start and end dates)
- Amount of Funds Authorized
- Applicable Terms and Conditions

It is imperative that any conditions necessary to implement acceptance be completed as detailed in the instructions. The initial NGA provides funds for the project during the first budget period. Budget periods usually are twelve months long; however, longer or shorter budget periods may be stated. Amounts shown for subsequent years represent projections of future funding levels and are contingent upon satisfactory progress, the availability of funds and the continued interest of the grantor. They are not guarantees!

Once the award document is fully executed or the official notification is received, send the information along with a budget breakdown to the Grant Accountant. This budget breakdown should detail by ledger, how the dollars are to be entered into the Workday system and how they correspond to the granting agency categories (per the NGA). The PI is to work closely with the Grant Accountant to determine the correct ledger coding. The source of the funds must be provided to the Grant Accountant. If the source is Federal (Department of Education, National Science Foundation, Department of Justice, etc.) the Catalog of Federal Domestic Assistance (CFDA) number must be provided. This information is required for completion of the Schedule of Expenditures of Federal Awards in the college's Annual Comprehensive Financial Report (ACFR).

All new grant fund awards, increases or reductions must be included in a quarterly budget amendment worksheet for the Board to review.

The PI will need to set up a system to manage each grant project, either in printed form or electronic form. The general rule is one grant, one binder/file, though additional binders/files may be necessary for some grants; especially those who involve sub-awards. The binder/file should include at least the following:

- Request for Proposal (grant application)
- Proposal guidelines and supporting legislation
- The proposal and submission forms
- The award letter (Notice of Grant Award)
- The grant agreement and budget
- Contract amendments and modifications
- Monthly, quarterly or annual performance reports
- Supply and inventory
- Personnel time and effort worksheets and time sheets for part-time
- Evaluation forms and data
- Correspondence with the grantor (agency)
- Controlled and capital asset reports
- Other necessary information

Even if this information is divided through separation of duties, the PI or relevant grantee staff should maintain a binder with the above information for auditing use.

SETTING UP THE GRANT

Once written notification of the approved, or signed, grant award has been received by the Grant Accountant, a Workday fund, grant/award and ledger are assigned and provided to the PI indicating grant funds may now be spent. Please use this fund/ledger code for all costs (payroll, requisitions, check requests, etc.) applicable to this project. A separate grant/award for grants and contracts is required because co-mingling of funds is unallowable.

All grants are given an alphanumeric code. All codes begin with GR followed by a four-digit number. The codes are issued sequentially. There are currently two funds for a grant – FD200 (Sponsor) and FD215 (Loan and Other Restricted) The PI will be provided access to the *Grants Management Handbook - Post Award* to serve as a written resource on grant-related issues. The PI should make sure all personnel that work with this grant also reviews the *Grants Management Handbook - Post Award*.

The PI needs to provide the Grant Accountant the names and CWID of those who will need access to the grant/award in Workday. Be sure to include administrative personnel that will be entering requisitions. The PI also needs to provide the names and CWID of those who should be set up as an approver in the purchasing requisition process for this grant/award. The Grant Accountant will make sure Workday access and purchasing approval paths are set up for the new grant/award.

When reviewing the project budget, the PI must remember that direct costs are those that can be specifically identified with a particular cost or service, while indirect cost are those that are incurred for common or joint objectives and cannot be readily identified with a particular cost or service (indirect costs generally are allocated to the college to cover overhead expenses). All grant budgets include direct costs, but not all include indirect costs.

Indirect costs are often referred to as facilities and administration costs. A grantee's indirect cost process and rate must be approved by their cognizant agency. Currently, Collin's cognizant agency is the Department of Health and Human Services. The College applies for the indirect cost rate every three to four years as required (*see* Direct and Facilities and Administrative (F&A) Costs page 33).

The PI is responsible for all activity incurred on behalf of their project. Expenditures must be allocable, allowable, reasonable and necessary according to the terms of the granting agency (*see* Basic Cost Principles page 14).

The PI is responsible for tracking all expenditures charged to grant projects for purposes of accounting and audit. Approval of all grant expenditures and documentation of all expenditures and matching (including personnel costs) for the project is the responsibility of the PI. While project staff may assist, the ultimate responsibility rests with the PI to maintain documentation and authorize grant expenditures. The Grant Accountant reviews all expenditures for appropriateness and accuracy as well as to ensure compliance with grant agreement. The PI has access to all financial reports and spreadsheets completed by the Grant Accountant.

We have an important obligation to be good and responsible stewards of public and private grant funding awarded to the College. Grant monies are awarded to accomplish goals and objectives identified in the proposal that coincide with the College's goals. Grants require a high degree of accountability and performance and are subject to Federal regulations or other funding agency requirements as well as District requirements.

HIRING PROJECT PERSONNEL

New grant-funded positions must be filled using the Collin College policies and procedures (found on CougarWeb). Those responsible for filling these positions should pay close attention to how the grant describes the responsibilities and qualifications of the positions and any special requirements. If the employee is already employed by the college and a percentage of their time has been approved by the granting agency to be charged to the grant, the PI must complete a Human Resource Department Personnel Action Request form (PAR). If the employees' regular job description does not cover the grant duties; a new job description must be written. The budget for both salaries and benefits should be reviewed to be sure sufficient funding is budgeted before being filled. If the grant award is for multiple years, be sure to allow for possible yearly salary increases. Salary rates must be in line with Collin College's pay scale. Once notification has been received that the award has been funded, the PI needs to start the hiring process. The Grant Accountant should be sent a copy of the job description and the job posting.

During a grant, it may be necessary to replace grant-funded personnel or to make job modifications. Most funding agencies have established procedures requiring notification of director vacancies and prior approval of personnel changes. Also, approval must be obtained from appropriate college administrators and secured in advance of implementing the planned changes. Be sure to inform the Grant Management and Grant Accounting Departments of any vacancies or leaves of absence that may occur during the period of performance.

Some grant awards allow for college faculty to receive some amount of release time from their normal teaching load to carry out certain aspects of the grant. Contact the Human Resources department for information on how to implement this requirement and inform the Grant Accountant on how this will be implemented.

Collin employees hired for special projects or extra service are usually hired to work on an extended contract using the Extra-Service Agreement Forms (forms on CougarWeb). External consultants are utilized by following procurement procedures.

PURCHASING WITH GRANT FUNDS

One of the PI's major responsibilities is to manage the project budget within the terms of the grant. Careful and realistic construction of the budget when the proposal was developed means that adequate funds should be included to cover project costs and personnel expenses. The proposal budget serves as the project director's spending plan. The cost and source of the item determines the procedures used for procurement. All Collin College purchasing policies apply to externally funded projects, including grants. Laws and regulations require completion of appropriate documentation before any grant purchase is made.

Upon acceptance of a grant, a copy of the grant award notice is provided to the Purchasing Department. When making a purchase using federal funds, Purchasing will check the vendor exclusions at <https://sam.gov/content/home> (System for Award Management (SAM)) to ensure that vendors have not been suspended or debarred prior to the order being processed.

Purchases will be made by requisition/purchase order, check request or petty cash procedures. Requisitions are completed and processed electronically via a requisition through Workday. When spending grant funds, the electronic requisition is routed through a "Grant" path for approval before it is submitted to the Purchasing Office. If a vendor requires a check or credit card purchase up front, by special approval a requisition may be done. Contact purchasing for approval to submit requisitions and instructions. Some Collin Employees now have a p-card available to make purchases. Purchasing monitors all p-card purchases for appropriateness. Prior to receiving a purchasing card, all users must attend training, and agree in writing to abide by p-card guidelines.

Examples of exceptions to the use of requisitions include ordering or renewing subscriptions, memberships, employee reimbursements, etc. **Prior written approval is needed if it is necessary for purchaser to use personal funds to purchase the service or goods and/or will request reimbursement by check request instead of a purchase order.**

The PI must ensure that any equipment items purchased using grant funds are specifically approved by the funding agency as a budget line item and are tagged and inventoried in accordance with college policies and procedures. Disposition of this equipment during or at the end of the grant period must be in accordance with funding agency and college guidelines (*see* Property Management page 37).

Use CaterTrax to purchase meals for an event, workshops or staff meetings. A copy of the agenda and sign in sheets for each day of the event must be sent to accounts payable (acctspay@collin.edu) after the event, workshop or staff meeting. The cost of the meals must comply with the college's per diem rates. Local travel requires completion of the appropriate form. Professional travel will be entered into the Workday system and the approval will follow the grant approval path. Collin does allow some employees to use their p-card for certain travel expenses for professional travel instead. Most business procedures and forms may be found on Cougar Web. Required back-up for reimbursement follows the college's policies. The Grant Accountant may require additional back up in some cases. For Federal grants, promotional items are referred to as memorabilia, which are considered advertising and public relations costs and are not allowable costs unless specifically written in the grant proposal/award.

PIs and staff should never instruct a supplier to deliver goods or begin any services until an authorized Purchase Order has been generated. Any such instructions to a supplier may become the personal financial liability of the requesting individual.

Purchasing deadlines for submission for the board agenda is available on Cougar Web. Please keep this timeframe in mind when conducting business. Collin County Community Colleges Purchasing Thresholds are as follows:

- Collin 9,999.99 or less - One (1) current price quote is obtained by the requesting Department.
- \$10,000 - \$49,999.99 requires three (3) written quotes. All quotes must be attached to the requisition in Workday. Purchasing provides a form, available on Cougar Web to document the quotes: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/http://inside.collin.edu/purchasing/pdfs/Quote_Form_9-15-2016.pdf](http://inside.collin.edu/purchasing/pdfs/Quote_Form_9-15-2016.pdf). Quotes may be obtained by the requesting department or by the Purchasing Department.
- \$50,000 and Over require a formal solicitation issued by the Purchasing Department with legal notice posted in the newspaper.
- \$100,000 and over must be approved by the Board of Trustees prior to an order being placed.

Collin County Community Colleges Sole Source Purchases policy:

When a product/service can be provided by only one vendor and the dollar value exceeds \$10,000 or the grant specifies that justification is required, the department must provide sole source documentation to Purchasing as back-up. The Sole Source Justification form is available in CougarWeb under purchasing in the District Services box. (See Sole Source Procurement Policy.) Requestors must complete and submit the sole source justification form (requisition) and the purchase requisition at the same time. The sole source justification must reference the purchase requisition number. The requisition number of the sole source justification form and a note that this is a sole source purchase should be included in the purchase requisition's internal notes for Approvers. Once approved, the sole source justification will be available from within Workday to be referenced as backup to the future Workday purchase requisitions as an internal note. The form must be referenced on each requisition submitted for that sole source vendor and must not be more than 12 months old. After 12 months, a new sole source justification form must be resubmitted for approval. Requisitions referencing an outdated sole source justification form may be returned to the requestor by Purchasing.

Some grant budgets have funds allocated for the purchase of subrecipient services, contracted services and/or consultants. Grants normally specify and provide qualifications, and frequently name the external consultant in the proposal. The most typical situation where subrecipient services are needed is when grant funds need to be shared with other organizations operating as project partners. Please review Subrecipient section for more detail. Contracts may be needed to purchase services. Contracts are considered a vendor relationship and need to follow procurement rules.

Grants Management Handbook – Post Award

Revised 3.23.23

A Contract for Services form is used for individual and sometimes company consultant agreements. Check with purchasing to make sure that you do not need to submit a requisition if the Contract for

Services is for a Vendor. This form is available on CougarWeb. A W-9 will need to be completed and attached to the contract. Consultants may be needed to serve as speakers, or to provide expertise in a particular area. A consultant is an individual retained to provide professional advice or services for a fee, they are not an employee of the College. The consultant fee must be reviewed to determine it is allowable and reasonable. (*see* 2CFR 200.324 – Contract cost and price) Once the agreement specifying the terms and conditions of the service has been pre-approved and signed by all parties, payment should be requested using a Contract Labor Form if for an individual and a check request form for a company. Attach a copy of the signed agreement to the request. **Contracts must be approved and appropriately signed before any work starts.**

Subrecipient agreements will be developed by the PI and submitted for the appropriate approval. As a part of the original award, Subrecipient agreements do not need Board approval. This process should be started soon after receiving the Grant Award Notification. (*See* Subrecipient section)

Contract for Services Agreements and subrecipient agreements for Federal or State awards should also include services to be performed, deliverables, due date, amount of compensation, time period of award, notification that the award is Federal or State and name of the awarding agency, notification of the CFDA# (Federal only) and a statement that the agreement will comply with Federal and State laws and regulations. (*for contracts see* Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts under Federal Awards; *for subrecipient agreements see* 2 CFR 200.332 – Requirements for pass-through entities.)

For complete Collin County Community College Purchasing policy and procedures please see Cougar Web, My Workplace.

Do not purchase goods or services from relatives or friends. This is a financial conflict of interest. The College has adopted and abides by the NIGP Code of Ethics. A copy of the NIGP Code of Ethics can be found at <https://www.nigp.org/resource/certification/handbook/code-of-ethics-cpp-handbook.pdf>

SETTING UP THE EVALUATION PROCESS

Programmatic and performance reports are the responsibility of the PI. Performance reporting and project evaluation are among the most critical aspects of project implementation and are ongoing processes.

Most grant proposals include an evaluation plan which serves as the blueprint for the project's evaluation. This plan outlines the general methods and standards to be used to measure the success of the project. This evaluation plan should include a description of what will be evaluated, when the evaluation will take place, instruments to be used for measurement, which individual will perform the evaluation, and how the information gathered will be used to determine the project's success. Establishing a solid and detailed evaluation plan at the onset reduces the likelihood of confusion in the future.

After the grant award notification is received, the PI should review the objectives, activities and outcomes of the proposal and develop a preliminary list of baseline data and possible assessment instruments needed in order to measure different aspects of project progress and success. A recordkeeping process that addresses, at a minimum, the establishment of electronic databases; the physical location and organization of electronic and paper files; processes to ensure the consistency, completeness and accuracy of electronic and paper files; and methodology to document progress, including the ongoing status of any project partnerships.

Many projects use an external evaluator who is familiar with the field of study and the type of program to be implemented. If the grant specifies the use of an external evaluator but did not designate one by name in the grant proposal, it is important to identify the evaluator as early in the project as possible. The evaluator should sign a Contract for Services Form with the college in advance of performing the work. The external evaluator should receive information about the project on a regular basis and should assist in the development of the evaluation format. Any reports generated by an external evaluator should be submitted to the PI.

Performance Measurement

Per 200.301 - The Federal awarding agency must require the recipient to use OMB-approved standard information collections when providing financial and performance information. As appropriate, the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award. Also, when applicable, recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data). The recipient's performance should be measured in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices. The Federal awarding agency should provide recipients with clear performance goals, indicators, and milestones as described in 2 CFR 200.211 Information contained in a Federal award. Performance reporting frequency and content should be established to not only allow the Federal awarding agency to understand the recipient progress but also to facilitate identification of promising practices among recipients and build the evidence upon which the Federal awarding agency's program and performance decisions are made.

Project Evaluation and Reports

As stated earlier, evaluation is an important component of the project for the purpose of measuring successful accomplishment of project objectives. The importance of project evaluations and reports cannot be underestimated. Evaluation is an ongoing process. Depending on the funding agency, evaluations may be required monthly, quarterly or annually. For some multi-year government grants, an evaluation is submitted annually as a progress report or a competing continuation application as a requirement for continued funding in the subsequent year. Data collection and recordkeeping, analysis, corrective actions, and reporting will be required throughout the life of the grant.

The formal award notification includes a schedule for any reports that must be submitted and the dates these reports will be due. PIs must be aware of the format and content requirements of reports and their due dates before the project begins so that information needed for the reports may be collected throughout the duration of the project. Meeting deadlines is critical. Programmatic or performance reports are the responsibility of the Principal Investigator and should reflect the progress made in accomplishing the project objectives.

Most evaluation plans talk about two types—formative and summative. Formative evaluations are conducted at specified points during the grant period. The formative evaluation is used to assess progress, identify potential and actual problem areas, and take corrective actions needed to address problems. Formative evaluations may be required monthly, quarterly, annually, or not at all by the funding agency. Summative evaluations are final evaluations that are completed at the conclusion of the entire grant period and are required of all grants.

Reports of expenditures are required as documentation of the financial status of grants in accordance with the timeline indicated by the grantor. These reports will be completed by the Grant Accountant. All records of project expenditures and documentation of matching or cost-sharing for the project must be provided by the PI. Most reports are now transmitted electronically; however, there are some requiring hard-copy submissions. Therefore, it is imperative that the PI allows sufficient time between the submission of this information and the due date for the report for the purpose of obtaining internal approvals required prior to submission to the funding agency. Meeting report deadline dates is critical. Failure to meet deadlines can have a serious impact on future funding possibilities and in some cases may hold up the awards of new grants to your College.

AUDITS

Each year, Collin College's records are audited by an independent, external audit firm that includes a Single Audit that is required by law and Uniform Grant Guidance. Collin College reviews or conducts its own internal investigation, in some situations. A Grant Accountant, for example will question expenses that appear to be out-of-line with the scope of the budget or disallowable. Collin's internal audit department may audit a grant or investigate potential problems related to fiscal matters. Additionally, certain funding agencies maintain the right to audit the grant records.

All financial records must be maintained in order to facilitate any audit that may include a review of the project. In the event of notification of an impending funding agency audit, the PI must contact the Controller immediately after receiving any verbal or written communication from the funding agency regarding a site visit, program review or audit.

PI's will occasionally be notified that their Program Officer plans a site visit. Site visits give the College an opportunity to share the project's progress, success, and continued potential with the funding source's representative. The Program Officer typically has some preferences in terms of scheduling and with whom they meet during the visit. They usually provide some general information about what they want during the visit. The PI should prepare a site visit agenda and review with their administrator before the site visit. The PI should notify the Grant Accountant about the planned site visit with information about what fiscal areas the Program Officer may want to review.

This section provides an overview of the single audit requirements and the College's responsibilities for audit follow-up and resolution.

Single Audit Requirements for Federal Programs

Grant recipients that expend \$750,000 or more annually of federal financial assistance (i.e., the total for all federal programs) must have a single audit or program-specific audit performed as stipulated in the federal OMB 2 CFR Part 200 Subpart F – Audit Requirements. The definition of federal financial assistance as provided by OMB is assistance received or administered in the form of grants, cooperative agreements, loans, loan guarantees, property (including surplus property), interest subsidies, insurance food commodities, direct appropriations and other assistance. The cost for auditing a federal program may be charged to the grant when the audit is required under and conducted in accordance with the OMB Circular. Costs for auditing a federal program may not be charged to the grant when the audit is not required under and not conducted in accordance with the OMB Circular.

The purpose of the single audit is to determine whether:

- the financial position is presented fairly through the grantee's financial statements; and
- internal controls and other control systems are in place to provide reasonable assurance that the grantee follows relevant laws, regulations, and agreements

Grantee Audit Responsibilities

The College has the following general responsibilities:

- providing access to records and financial statements
- assisting monitoring and oversight activities
- submitting notification of audit conducted and no audit findings or questioned costs were determined
- following up and taking appropriate and timely corrective action to resolve audit findings and
- maintaining audit files

Under the OMB Circular, the College must also do the following:

- Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.
- Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
- Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.
- Prepare appropriate financial statements, including the schedule of expenditures of Federal awards.
- Ensure that the required audits are properly performed and submitted when due. When extensions to the report submission due date required are granted by the cognizant or oversight agency for audit, promptly notify the Federal clearinghouse designated by OMB and each pass-through entity providing Federal awards of the extension.
- Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan.

Financial Statements

Under the OMB Circular, the financial statements required in the audit must adhere to the following standards:

Financial statements must reflect the grantee's financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements must be for the same organizational unit and fiscal year that is chosen to meet the requirements of this part. However, organization-wide financial statements may also include departments, agencies, and other organizational units that have separate audits and prepare separate financial statements.

The grantee must also prepare a schedule of expenditures of Federal awards for the period covered by the financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502 – Basis for determining Federal awards expended. While not required, the grantee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the grantee may list the amounts of Federal awards expended for each award year separately.

Per 2 CFR 200.510 (b) at a minimum, the schedule of expenditures must:

- List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended must be shown either by individual award or by Federal agency and major subdivision within the Federal agency.
- For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

- Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- Include the total amount provided to subrecipients from each Federal Program.
- For loan or loan guarantee programs described in 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total federal awards expended for loan or loan guarantee programs in the schedule.
- Include notes that describe the significant accounting policies used in preparing the schedule and note whether the auditee elected to use the 10% de minimis cost rate as covered in 200.414 Indirect (F&A) costs.

Follow-up and Corrective Action

Under the OMB 2 CFR 200.511 Audit findings follow-up, the College has the following responsibilities after the audit:

- *Follow-up and corrective action on all audit findings.* As part of its responsibility, the grantee must prepare a summary schedule of prior audit findings. The auditee shall also prepare a corrective action plan for current year audit findings. The summary schedule of prior audit findings and the corrective action plan must include the reference numbers the auditor assigns to audit findings under 200.516 (c) Audit findings. Since the summary schedule may include audit findings from multiple years, it must include the fiscal year in which the finding initially occurred. The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.
- *Summary schedule of prior audit findings.* The summary schedule of prior audit findings must report the status of all audit findings included in the prior audit's schedule of findings and questioned costs. The summary schedule must also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected, no longer valid or not warranting further action. The grantee must develop the summary schedule as follows:
 - When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken.
 - When audit findings were not corrected or were only partially corrected, the summary schedule must describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the Federal agency or pass-through entity's management decision, the summary schedule must provide an explanation.

- When the auditee believes the audit findings are no longer valid or does not warrant further action, the reasons for this position must be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that all the following have occurred:
 - Two years have passed since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse;
 - The Federal agency or pass-through entity is not currently following up with the grantee on the audit finding; and
 - A management decision was not issued.

(see 2 CFR 200.511 – Audit findings follow-up)

Corrective action plan

At the completion of the audit, the auditee must prepare in a document separate for the auditor's findings described in 200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for the corrective action(s), the corrective action(s) planned, and the anticipated completion date(s). If the grantee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.

BUDGET AND PROGRAMMATIC CHANGES

Budget and program changes may be necessary to meet changing needs or circumstances. For example, project staff may have started working on the project later than planned which resulted in salary savings. New reporting requirements may require some budget changes.

Significant changes in the project require consultation with the funding source. Funding sources generally have guidelines or terms and conditions specifying the types of changes that require prior approval and the role played by funding source contacts. In the case of governmental grants, this may include change in project scope, objectives, key personnel, or budget.

PI's contemplating implementation of budget changes should consult with the Grant Accountant before submitting changes to the funding source. The PI needs to be aware of funding source restrictions on, conditions for, or timing of requests. The PI normally makes the contact with the Program Officer by email or electronic submission of the request, depending on the requirements of the funding source.

Proposed changes are not official until written or electronic approval is received. The Grant Accountant must receive a copy of all changes. A budget adjustment request and a copy of the funding source's approval must be submitted to the Grant Accountant to officially change the budget.

A no-cost extension is a request to extend the grant period beyond the previously approved end of the grant and for which no additional funds are granted beyond what was previously approved for award. The PI should pay close attention to the deadline for submittal of a no-cost extension request and the information that will be required for the request. No-cost extensions can typically be requested for up to a year and usually require justification based on achieving the objectives of the grant and a projection about how much money will remain at the end of the grant period with a discussion of how the funds will be used. The fact that you haven't spent all the funds is not an adequate justification for the request. Request more time than you think you may need. You can always end sooner, but it creates problems if more time is needed.

COST SHARING / MATCH AND LEVERAGED RESOURCES

For all Federal awards per 2 CFR 200.306 Cost sharing or matching, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- are verifiable from the College's records
- are not included as contributions for any other federal award
- are necessary and reasonable for accomplishment of project or program objectives
- are allowable under Subpart E – Cost Principles of this part
- are not paid by the Federal Government through another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs
- are provided for in the approved budget when required by the Federal awarding agency
- conform to other provisions of this part, as applicable

Cash match for grant-funded projects must be requested through the Leadership Committee as a part of the grant proposal. Drawn from the College's transfer account, the budget for matching funds are placed into the project account at the beginning of the project. All cash and in-kind matches required in the grant project must be documented and records will be maintained by PI.

Unrecovered F&A or indirect costs may only be included in cost sharing, matching or leveraged resources with prior approval of the awarding agency.

Tuition

The College may not count tuition and fees collected from students toward meeting matching, cost sharing, or maintenance of effort requirements (*see* EDGAR 34 CFR Part 76.534).

Volunteering

Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program.

Rates for volunteer services must be consistent with those paid for similar work in the recipient's organization. In those instances, in which the required skills are not found in the recipient organization, rates must be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

When an employer other than the recipient furnishes the services of an employee, these services must be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services employ the same skill(s) for which the employee is normally paid.

Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

Supplies

Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.

Equipment, Buildings and Land

The method used for determining cost sharing or matching for third party-donated equipment, buildings and land for which title passes to the non-Federal entity may differ according to the purpose of the federal award.

Documentation

The basis for determining the valuation for personal service, material, equipment, buildings, and land must be documented. The College requires that cash and in-kind items need to be documented using the In-Kind match form found on CougarWeb or equivalent.

Leveraged Resources

Leveraged Resources are all resources used to support grant activity and outcomes, whether those resources meet the standards required for match. This means both allowable match and other costs that do not normally meet the requirements of match regulations but do support the outcomes of grant activity. All leveraged resources must be expended on costs that are allowable under the Circulars and used to further grant activity and outcomes. The costs of leveraged resources may be paid for with either Federal or non-Federal funds.

COST TRANSFERS

A cost transfer is an after-the-fact reallocation of the cost associated with a transaction from one project to another. Although it is preferable to charge costs to the correct project when they are incurred, cost transfers are occasionally necessary. To be allowable, cost transfers must:

- be timely (usually within 90 days after the month in which the cost was originally posted)
- have benefited the project to which the charges are to be transferred
- be allowable and allocable to the specific project
- have sufficient funds available prior to the transfer
- be incurred during the budget period of the project
- have appropriate authorizing signatures by the PI

Project directors need to review all fiscal grant activity on a monthly basis to ensure that expenses are appropriately charged to your budget and that no costs have been erroneously posted to your grant account.

All requests for transfers that are determined to be for convenience, or merely because funds are available will be rejected. After the final report has been submitted to the granting agency, cost transfers cannot be processed unless a cost has been charged to the closed project that did not benefit the project or is unallowable.

Cost transfers occur for several reasons. For example, personnel may not be appropriately paid from one project and will require a transfer of the cost to the appropriate project where the effort was expended. Errors and omissions are also responsible for problems encountered in the daily administration of projects. Transfer of costs that represent corrections of clerical or bookkeeping error must be made promptly after the error is discovered. The transfer must be supported by documentation that contains a full explanation of how the error occurred and a justification of the charge to the receiving project by the PI of the project.

DIRECT, FACILITIES AND ADMINISTRATIVE (F&A) COSTS

All allowable direct and facilities and administrative (F&A) costs (also known as indirect costs) allocated to the grant, minus any applicable credits, constitute the total costs.

An incurred cost is either a direct cost ONLY or an F&A cost ONLY. No final cost objective can be both a direct cost and F&A cost if incurred for the same purpose, in like circumstances, or previously included as either a direct or F&A Cost. *See* OMB 2 CFR 200.414 – Indirect (F&A) costs. Therefore, it is important that the College personnel ensure that all costs are treated consistently.

Direct Costs

Direct Costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (*see* OMB 2 CFR 200.413 – Direct Costs). Direct Costs include:

- Costs for personnel who supervise the activities of program staff, or any direct costs for personnel who perform fiscal and reporting activities related to the grant
- Costs for contracted services associated with the administration of the program
- Costs for supplies and materials requested for administrative use
- Other operating costs requested for administrative purposes
- Equipment requested for administrative purposes

Sponsored Agreements

Typical costs charged directly to a sponsored agreement are the compensation of employees for performance of work under the sponsored agreement, including related fringe benefit costs to the extent they are consistently treated, in like circumstances, by the institution as direct rather than F&A costs; the costs of materials consumed or expended in the performance of the work; and other items of expense incurred for the sponsored agreement, including extraordinary utility consumption.

The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of sponsored agreements, provided such items are consistently treated, in like circumstances, by the institution as direct rather than F&A costs, and are charged under a recognized method of computing actual costs, and conform to generally accepted cost accounting practices consistently followed by the institution.

Direct Cost Allocation Principles

If a cost benefits two or more projects or activities proportionally in a manner that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit.

For example, if a professor has documented time and effort that they worked 50% of their time on the Perkins program and 50% of their time on state activities, then 50% of their salary may be charged to the Perkins program, as that is the direct allocable cost chargeable to the Perkins program.

Facilities and Administrative (F&A) Costs

F&A costs are costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are also known as "indirect" costs. (see OMB 2 CFR 200.414 – Indirect (F&A costs))

Indirect Costs: another name for F&A costs; are broadly defined as central administrative costs and certain other organization-wide costs that are incurred in connection with a project but that cannot readily be identified with the project. Indirect Costs include:

- costs of operating and maintaining facilities
- general administration and general expenses, such as budgeting, accounting, human resources, legal, and purchasing
- centralized services, such as motor pools and information systems
- personnel and accounting administration

While this handbook provides examples of different types of F&A costs, the College has a negotiated F&A cost rate which includes those items that must be considered F&A costs. Therefore, when determining whether an item is a direct cost or an F&A cost, the College staff must review the College's specific F&A cost rate to properly determine what costs must be F&A Costs. Please contact Financial Services if you have any questions. The College has an approved Federal F&A cost rate. A copy of the F&A agreement is found on Cougar Web.

Applicable Credits

The term "applicable credits" refers to those receipts or negative expenditures that operate to offset or reduce direct or F&A cost items. Typical examples of such transactions are:

- Purchase discounts
- Rebates or allowances
- Recoveries or indemnities on losses
- Adjustments of overpayments or erroneous charges

This term also includes "educational discounts" on products or services provided specifically to educational institutions, such as discounts on computer equipment, except where the arrangement is clearly and explicitly identified as a gift by the vendor.

F&A Requirements

Certain program statutes restrict the amount or percentage that can be charged to a project's administration, which may include indirect costs, as specified in the Request for Proposal (RFP) and reflected in the approved project award notification or amendment approval where applicable. The College staff should be aware that if there is a cap on indirect costs, the College will be required to comply with the required limit.

DISSEMINATION OF PROJECT RESULTS

Dissemination of project results and products is extremely important to many funding sources. Most proposals to public sources require dissemination plans which describe what will be disseminated and when, how and to whom information and products will be disseminated.

Project results and materials should be submitted to the funding source and to all individuals involved in the project per the grant agencies requirements. Be sure to keep in mind funding agency publication guidelines.

PARTICIPANT SUPPORT COSTS

Collin College complies with federal regulations ensuring that funds provided for participant costs are separately accounted for and expended for appropriate and intended objectives.

Participant support is provided by several federal agencies and other sponsors. The National Science Foundation has the most restrictive policies governing the budgeting, expending and reporting of these funds.

In general, participants or trainees (but not employees) are the recipients of a service or training provided at a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants may include students, national scholars and scientists, private sector representatives, agency personnel, teachers, and others who attend and participate in the conference, workshop or training activity.

Participant supports costs are defined as direct costs for items such as stipends* or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects (*see* NSF Grant Policy Manual 05-131. July 2005, Section 618.1 and 2 CFR 200.75)

**A payment made to an individual to provide for the participant's expenses during the period of the training or other activities. A stipend is not considered compensation for services normally expected of an employee.*

Funds provided for participant support may not be used by the College for other categories of expense without the specific prior written approval of the grant agency. Therefore, the College will set up an account and/or spreadsheet for participant support costs separately from other funds awarded by the grant agency.

Participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. A non-NSF Federal employee may receive participant support allowances from grant funds provided there is no duplication of funding of items, and provided no single item of participant cost is divided between their parent agency and NSF grant funds. Local attendees may participate in conference meals and coffee breaks; however, grant funds may not be used to pay per diem or similar expenses for these participants.

Participant support costs provided by grant agencies other than NSF will follow the same requirements as specified in this policy unless an award specifies otherwise.

PROGRAM INCOME

The College is encouraged to earn income to defray program costs. Program income is income generated by a grant-supported activity or income generated only as a result of the grant agreement during the grant period. The grant period is defined as the time between the effective date and the ending date of the grant award. Grant income will be used to further eligible project or program objectives (*see* OBM 2 CFR 200.307 – Program Income)

Examples of Grant Income include:

- Fees for services performed
- The sale of commodities or items fabricated under a grant agreement
- Payments of principal and interest on loans made with grant funds
- The use or rental of real or personal property acquired with grant funds

Program Income may be used and calculated in three ways:

- Deduction: Program income is deducted from the total allowable costs to determine the net allowable cost, unless federal agency regulations for the program or the grant agreement state another alternative.
- Addition: When authorized by the federal agency, program income may be added to the federal award. When program income is added, it still must be used for the specified purposes and comply with the conditions of the grant.
- Cost Sharing/Matching: When authorized, program income may be used to meet cost-sharing or matching requirements. The amount of the federal award will remain the same if program income is used for cost-sharing or matching purposes.

Program income must be used for current costs unless the federal agency gives other authorization. Program income that was not anticipated at the time of the award will be used to reduce the federal award rather than to increase the funds to the program.

Deduction of program income is the standard requirement unless the grantee obtains approval for another method from the awarding agency.

PROJECT PUBLICITY AND PROMOTIONS

New grant awards are newsworthy. Partners and the community should be notified about the grant award that established the project (if it is a significant award) and the project's activities once implementation has commenced. Work with the College's public relations director to plan press releases and publicity for the project. In addition to external publicity, your project may also be promoted internally through College newsletters and electronic communications via email and the web.

Many funding sources require that any publications or publicity related to the project they are funding should credit the funding source and sometimes may require a disclaimer that opinions expressed in a particular document are the opinion of the writer and not necessarily the opinion of the funding source. Be sure to read terms and conditions and program policies for direction on how the funding source wants this handled.

PROPERTY MANAGEMENT

Grant agreements frequently include budgetary authorization for the purchase of supplies and capital outlay (furniture and/or equipment) considered necessary to successfully carry out the purpose of the grant program. Definitions can be found as follows: Property – 2 CFR 200.1, Personal property – 2 CFR 200.1, and Equipment – 2 CFR 200.1.

Equipment Management Requirements

The College must manage the equipment acquired in whole or in part with grant funds by establishing and using procedures that meet the following requirements (*see* OMB 2 CFR 200.310-316 Property Standards):

- The College shall maintain records for all equipment with a value of \$5,000.00 or more within a fixed asset inventory system that includes:
 - the description of the property
 - the serial number or other identification number
 - the source of funding for the property (including the FAIN)
 - the name of the entity that holds title
 - the acquisition date and cost
 - information from which one can calculate the percentage of federal/state participation in the cost of the property
 - the location and condition of the property
 - any disposition data including date and sale price of the property
- Develop maintenance procedures to keep equipment in good condition; and
- Establish procedures to sell grant-acquired equipment (when authorized or required) to ensure the highest possible return.

Physical Inventory of Equipment

The College must take physical inventory of grant acquired capitalized equipment every two years. The College then must reconcile those results with property records. Any differences between quantities determined by the physical inventory and the accounting records must be investigated.

Control System of Equipment

The College must develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Capital outlay items must be properly tagged in order to maintain control and inventory. Any loss, damage, or theft shall be investigated and fully documented.

Trust

Real property, equipment, intangible property, and debt instruments that are acquired or improved with federal funds must be held in trust by the College as trustee for beneficiaries of the project or program under which the property was acquired or improved.

Construction

Unless specifically authorized in statute, federal funds may not be used to pay for construction.

Equipment Usage

The College retains the title to equipment acquired with federal funds. The College is not permitted to charge students or school personnel for ordinary use of equipment purchased with grant funds (*see* OMB 2 CFR Part 200.313 - Equipment). The College may not use equipment acquired with federal

funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless otherwise authorized, for as long as the federal government retains an interest in the equipment.

Condition of equipment will be operational unless otherwise noted. When equipment becomes obsolete or damaged, the Collin equipment financial manager is to be contracted

If replacement equipment is needed, the College may trade-in or may sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to grant agency approval.

The equipment must be made available for use on other projects or programs if it will not interfere with the project or program for which it was purchased. The College must use the purchase equipment as long as needed, whether the project or program continues to be supported with federal funds. When no longer needed for the original project or program, the College must use the equipment in connection with its other federally sponsored activities in order of priority:

- activities sponsored by the Federal awarding agency which funded the original project; and then
- activities sponsored by other Federal awarding agencies

Disposition

When property acquired with grant funds is no longer needed for the original purpose, disposition will be made as follows:

- Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the granting agency, except that the granting agency reserves the right to transfer equipment (regardless of how it is classified) to another grantee after the grant period.
- Items of equipment with a current per-unit fair market value of \$5,000 or more may be retained or sold and the granting agency has a right to an amount calculated by multiplying the current market value or proceeds from the sale by the granting agency's share of the equipment. The grantee must notify the granting agency, in writing, of any equipment meeting these conditions to give the granting agency the right to a refund or to transfer the items to another grantee.

Plant Operations needs to inform the Financial Manager and Grant Accountant before disposing of any asset purchased with grant funds.

Collin Additional Asset Procedures

The Financial Manager (Custodian) and User/Department Acquiring (Equipment Manager) for capital equipment coded to a GR grant- The Fund Manager (usually the Principal Investigator of the grant) is to sign as the Financial Manager on the acquisition form for capital equipment and the Organization Financial Manager (the organization that is actually using the equipment) is to sign as the User/Department Acquiring Item on the acquisition form for capital equipment. This can sometimes be the same manager.

Collin's Chart of Accounts for asset purchases is as follows:

- Grant Non-capital Assets - Unit purchase price must be less than \$5,000. Spend Category SC1001 is for Equipment and Furniture. Spend Category SC1045 is for Computer and Media Equipment. A worktag is included to distinguish purchases above and below \$5,000.

- Capitalized Equipment/Furniture - Unit purchase price must exceed \$5,000 and must have a useful life of more than one year. Spend Category SC1001 is used for Equipment/Furniture and Spend Category SC1045 is used for Computer Equipment. A worktag is used to distinguish purchases over \$5,000

Collin requires the PI to place an informational label (next to the asset tag) on Capital expenditures when received for all Federal, State and Private grants if required by their specific regulations. The Grant Accountant will prepare the label/labels for the PI. The label identifies the source as Federal, State, or Private, the agency and award number.

More detailed Fixed Asset procedures and forms may be found on Cougar Web, My Workplace, Intranet Links (at the right), Business Administrative Services, Fixed Assets.

Intangible Property

Intangible property means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible). Definition 2 CFR 200.1

Title to intangible property acquired under a Federal award vests upon acquisition in the non-Federal entity. *See* OMB 2 CFR 200.315 Intangible Property.

Supplies

Per 2 CFR 200.314 Supplies, Title to supplies will vest in the non-Federal entity upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. *See* 2 CFR 200.313 Equipment, paragraph (e)(2) for the calculation methodology.

Computing devices means machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories for printing, transmitting and receiving, or storing electronic information. Definition 2 CFR 200.1.

Supplies means all tangible personal property other than those described in 2 CFR 200.1 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. Definition 200.1

SUBRECIPIENT AGREEMENT AND MONITORING

Collin County Community College (i.e. Collin College) must on an annual basis ensure that all subrecipients who receive \$750,000 or more in Federal awards during a fiscal year meet the requirements of OMB 2 CFR 200.332 – Requirements for pass-through entities.

Collin College must monitor subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.

Whenever Collin College issues a subaward to another entity, the College must monitor the subrecipient to ensure its compliance with federal laws and regulations. As part of a monitoring program, the College relies on Principal Investigators and departmental staff to review and determine the allowability, allocability and reasonableness of subrecipient project expenses. Although Principal Investigators have primary responsibility for monitoring the technical progress and claimed costs of subrecipients, it is understood that some of this responsibility is frequently delegated to departmental staff or administrators. The following guidance is provided to assist Principal Investigators and those to whom they have delegated this responsibility. These guidelines do not apply to Collin agreements with Vendors.

Subrecipient is a legal entity that receives Federal assistance via a subaward from Collin College to carry out or administer a program, including responsibility for programmatic decision making.

Subaward is defined, for the purpose of this guidance, as the legal agreement between Collin College and a subrecipient that transfers a substantive portion of the scope of work and federal financial assistance funding under an award received by Collin College. A subaward does not involve the procurement of goods or non-research services.

Federal Regulations

The Federal regulations that describe subrecipient monitoring are general, but contain the following core elements of compliance:

- Advising subrecipients of all applicable federal laws and regulations, and all appropriate flow-down provisions from the prime agreement:
 - The routine receipt and review of Technical Performance Reports
 - The routine review of expenses relative to approved budget
 - The requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the federal requirements.
 - The periodic performance of on-site visits, or regular contact, if necessary
 - The option to perform audits or desk reviews, if necessary
 - Review of Single Audit reports filed by subrecipients and any audit findings
 - Review of corrective actions cited by subrecipients in response to their audit findings
 - Consideration of sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions

Responsibilities

Principal Investigator:

- The PI, at the time of prime agreement proposal preparation should receive from the potential sub awardee a letter of support/cooperation signed by an authorizing official, a budget, supporting documentation for sub awardee costs, and the agreed upon scope of work. Other information may be required by the sponsor, depending on the proposal preparation guidelines.
- PI's along with Grant Accounting are responsible for ensuring that subaward costs are allowable, allocable, reasonable and appropriate for the work being performed according to requirements of the prime award, federal and state regulations, OMB circulars and Collin College policy, as applicable.
- Once Collin College has accepted an award from a sponsor which contains provision for a subrecipient, the PI will begin the development and negotiation of the subaward and any amendments thereto.
- The grant P.I. will forward a copy of any subrecipient agreement to the Grant Accountant for review before the agreement is signed. At that time, for any agreement, the Grant Accountant will check the SAM.gov website to ensure the subrecipient is not on the debarred or suspended list. This list is located at: <https://sam.gov/content/home> (System for Award Management (SAM)).
- The PI also determines when a subaward is to be amended and is responsible for the amendment preparation.
- The PI must review Technical Performance Reports on a timely basis. Any unusual or unforeseen items should be investigated, and documentation thereof should be retained in the department's files for ready access by regulators. In some cases, subaward terms may require specified deliverables in addition to, or in lieu of, technical reports.
- The PI must ensure that invoiced costs are reasonable, necessary, allowable and within the funding limits of the agreement with the subrecipient, prior to approval of the invoice authorizing payment by Grant Accounting.
- The PI is responsible for understanding the subrecipient monitoring plan contained herein and with assisting Grant Accounting as needed in their monitoring activities.
- The determination of the potential need for a subaward to a business/organization is normally made at the prime proposal stage. This will also include the determination of the nature of the relationship between the parties i.e., vendor vs. subrecipient. The Principal Investigator must be prepared to justify the selection of the potential sub awardee.
- An evaluation of each subrecipients' risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring must be completed. This should be completed at the time the proposal is prepared. If the subrecipient is going to be added after the award is in place, the risk analysis should be completed before the subrecipient agreement is signed.
- The PI is responsible for developing, negotiating and acquiring the appropriate signatures of the subaward document on behalf of Collin College. Any changes to the subaward must be mutually agreed upon in writing by both parties. Under no circumstances should a subrecipient be authorized to start work without a fully executed subaward.

- The PI is responsible for the inclusion in the subaward of all applicable OMB requirements and other applicable regulations, disclosures, and obtaining the proper signatures on the subaward. The requirements can be found at OMB 2 CFR 200.332 – Requirements for pass-through entities.
- The budget for the subaward could include both direct and facilities and administrative (F&A) cost. If F&A costs are included, a copy of the sub awardee’s current, approved federally recognized indirect cost rate Agreement (if applicable) should be provided. If no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with federal guidelines), or a de minimis indirect cost rate as defined in OMB 2 CFR 200.414 – Indirect (F&A) costs, paragraph (f).
- The scope of work must outline the work to be accomplished by the sub awardee and identify deliverables, products or expected outcomes that support the overall project.
- The PI is responsible for all negotiation of the subaward and any changes to the subaward document requested by the sub awardee. The subaward document must be reviewed and approved by the College President or their designee with the involvement of Grant Accounting and if necessary, legal counsel. Once signed, the Grant Accountant will post any agreement that is over \$25,000 on the Federal Funding Accountability and Transparency Act (FFATA) website.

Grant Accountant:

- Review subrecipient requests and source documentation for payment along with the PI to ensure that the expenditures conform to the terms and conditions of the subaward.
- Notify prime agencies (for which Collin College is the subrecipient) that a Single audit was conducted. The Single audit must have been completed within nine months of year end. The notification shall disclose whether there were any applicable findings related to the prime agency’s award.
- Prepare and execute the Subrecipient Monitoring Plan.

Subrecipient Monitoring Plan

This plan includes, but is not limited to:

- Identifying subrecipients receiving federal pass-through funds and the amount of each subaward
- Sending out the annual subrecipient audit verification letters and forms (discussed below)
- Following up on subrecipients that do not respond to the audit requests
- Establishing criteria to identify when subrecipient audit findings are significant enough to warrant further review, or site visits and/or sanctions (discussed below)
- Identifying subrecipient organizations that will be visited or reviewed further (discussed below)
- Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by OMB 2 CFR 200.521 – Management decision. Must be submitted to Business Administration management for approval before sending to subrecipient.

Annual Subrecipient Audit Verification

On an annual basis, Collin College will verify that subrecipient organizations have completed their Single Audit, as applicable. Grant Accounting will send the Subrecipient UGG Single Audit Certification letter to Collin College’s federally funded subrecipients:

Subrecipient Audit Findings Follow-up

Grant Accounting will obtain and review the responses from the subrecipients. If Grant Accounting has concerns regarding the audit report or the corrective action plan(s), the subrecipient will be contacted to resolve those issues. If the subrecipient does not respond to Grant Accounting's concerns in a timely manner, Grant Accounting will present the issues to the PI and Business Administration management.

When any of the following conditions are present in the subrecipient's Single Audit report, PI and Business Administration management must be notified to determine appropriate course of action:

- control weakness
- subrecipient refuses to provide requested audit confirmations and/or audit reports

When such conditions are present, Grant Accounting and Business Administrations management will determine an appropriate course of action which may include one or more of the following:

- Determining the adequacy of the subrecipient's corrective action plan
- Facilitating an audit of the subrecipient's project related records
- Suspension of payments, requesting refunds, or revocation of the subrecipient agreement

Subrecipient Site Visits/Further Review

On an annual basis, Collin College may select subrecipients for which site visits and/or expenditure reviews may be performed. A risk-based approach will be used to select the subrecipients that will be reviewed and/or visited. The following criteria will be used when making this determination:

- Dollar amount of the award
- Award complexity, sensitivity of the work and/or extensiveness of the governing regulations
- Inherent risk given the nature of the research
- Sophistication of the subrecipient's systems and administrative operations
- Prior experience with the subrecipient including the extent and severity of past audit findings
- Location of the subrecipient
- Degree of oversight by auditors and sponsor agencies

Record Retention

Subrecipients are required to retain supporting documentation for at least three (3) years after the final closeout of the prime award unless the prime award document indicates a longer period.

Fixed Amount Subawards

Per 2 CFR 200.333 Fixed amount subawards, with prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in 200.201- Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

TIME AND EFFORT DOCUMENTATION

Time and effort reporting is the reporting and confirming of an individual's actual time spent on and identified to grants, instruction, administrative and other institutional activities for which one is compensated and is considered the institutional base salary or appointment. Time and effort reporting accounts for the time in percentage spent on federal awards relative to the time spent on total institutional activities. Time and effort may include activities from more than one grant as well as from non-sponsored program activities such as regularly assigned Collin –funded duties. It consists of both funded and non-funded commitments (cost share). It is NOT based on a standard 40-hour workweek.

Time and effort reporting is important for the following reasons:

- Documentation is needed per OMB 2 CFR 200.430 – Compensation – personal services
- To ensure that labor costs charged to grants are consistent with the effort expended
- To ensure that labor charges to sponsored agreements are properly documented

The time and effort report certifications will be prepared by the Grant Accountant and forwarded to the PI for completion. The original certification form will be filed in the program office. A signed, scanned copy will be forwarded to grant accounting.

The Time and Effort Certification guidelines are as follows:

- Certifications shall account on an after-the-fact basis for 100% of activities and coincide with one or more pay periods, excluding extended contracts for work beyond regular assignment. The form must account for all time and effort for which the college compensates the employee. Even if the number of hours worked for the week exceed the normal 40 hours, the effort percentages must be based on total effort, not the number of hours.
- Time and effort distributions should be reasonable estimates of activities.
- Time and effort and payroll distributions are not the same thing. The time and effort reporting process is a method for certifying charges made to grant awards and for certifying that the time and effort expended is at least equal to the salary paid. Payroll distributions are used initially as a baseline for time and effort distributions and are a reminder of what activities the individual has done. The payroll-based effort shall be adjusted to report the time and effort distributions certified on the PAR if the percentages are less or more than the shown payroll distributions.
- The form must be certified by the employee whose time and effort is being reported or by a responsible person with access to verifiable information on how the individual's time and effort was expended. Employee and/or PI are responsible to keep suitable records as a means of verification that the work was performed as certified.
- Mandatory and voluntary committed cost sharing must be reported. There may be some cases when there is some or all time and effort that an employee expends on a specific grant that is not funded by the grant but is required or where the employee has committed to uncompensated effort to the grant. In these cases, the time and effort shall be reported as cost sharing on the PAR form.
- The total of the time and effort percentages posted on the form must equal 100%.

Time and effort and the corresponding salary distributions should be reviewed and adjusted to actual on a regular basis. Collin College grant employees will certify the forms on an after-the-fact monthly basis.

Part-time employees that work only on one grant do not need to complete a form. Collin will use their Workday reports to document their time and effort.

Extended (special services) contracts for work in excess of regular workload are not included in the 100% effort. A form will not be completed for extra service pay. The faculty load or agreement will be used instead. A copy of the Extra-Services faculty load or Agreement with employee and supervisor signatures should be forwarded to Grant Accountant. The PI should keep the original for their files.

Do not certify a form unless the time and effort is appropriate. Once you have certified a form, you have verified that the time worked is correct. Cost transfers will not be made on a certified form except under unusual conditions and the request to correct is attached to the certification.

TRAVEL

Employee's using grant funds are to follow Collin's Professional Development Travel and Local Travel policies or the grant agencies' policies, whichever is more stringent. Example: Federal grant awards may require travelling at the federal lodging and per diem rates. Per diem amounts are published by the General Services Administration and are specific to major cities. A deduction from the daily per diem is made for meals provided at a conference or business meeting. Seventy-five (75%) of the daily per diem allowance is provided on days of travel. The most current written Collin Travel policies may be found on CougarTravel at <https://cougarweb.collin.edu/web/home-community/my-workplace>. Please see Collin Travel policies and grant agency for allowable travel expenses.

The following travel expenses are normally unallowable when traveling using grant dollars (used Perkins Basic RFA for information):

- Alcoholic beverages
- Any expenses for other persons
- Automobile mileage or taxi fares for other than official business
- Costs related to training or technical assistance on grant writing or obtaining funds
- Costs that are not reasonable and necessary to meet the objectives of the grant
- Entertainment, recreational or social events
- First-class air fair
- Foreign Travel
- Per diem (meals and lodging) for meeting participants who live in the same city as the event is held
- Personal accident insurance or personal effects coverage for rental cars
- Rental car for personal use or for purposes not associated with official grant business
- Tips or gratuities
- Travel allowances where per diem is paid to the employee regardless of the amount expended

Travel costs must have the source documentation required by Collin policy or the grant agencies' policy (whichever is more stringent) in order to be reimbursed.

Carl Perkins grant awards do not allow travel costs to be charged to the grant for executive officers (including the president, vice presidents and deans) or administrative support staff.

It is the responsibility of the employee traveling using Grant funds to be sure they understand the travel policies for that grant and Collin's travel policies.

This Grant Management Handbook is available to all staff and can be found at: http://inside.collin.edu/businessoffice/grants_and_contracts.html

The Collin travel policies including local travel is available at CougarTravel: <https://cougarweb.collin.edu/web/home-community/my-workplace>

COMPLETING AND CLOSING OUT A PROJECT

Finishing a grant project is just as important as starting one. In many cases, the way in which closeout procedures are handled can have a direct effect on the chances for future funding. Most funding agencies have required processes associated with closing out grant projects. The PI will need to complete all closeout activities prior to his/her last day paid from the grant.

- determine approximately 60 days prior to the termination date of the grant or contract if a request for a No-Cost Extension should be, or has been filed
- finalize all expenditures - Expenditures at the end of the grant may be disallowed by auditors if they occur too late in the program to be legitimately needed by the project
- resolve all outstanding encumbrances - Large purchases at the end of the grant are usually not appropriate; confirm the date all final paperwork is due
- complete appropriate transfer or disposition of property
- subgrant closeout – same procedure that applies to the principal grant should be used in the closeout of sub-grants
- ensure all publications funded by the project credit the funding source
- confirm the date all final paperwork is due
- complete termination paperwork for all staff and, if required, payroll changes for staff members transferred to other organizations
- prepare final summary as required by the grant or contract
- secure record retention of electronic and paper files

This checklist is designed to serve as a general guide to the PI to assist in completing the grant closeout process. Individual grants may have requirements that extend beyond or differ from this checklist. Transfer or disposition of property purchased through the grant should follow the agency and Collin requirements and should be reviewed by Grant Accountant before transfer or disposition is completed. If there are questions regarding closeout requirements for a specific grant, PIs and their administrators should consult with Grant Accountant.

Grant Accountant is responsible for meeting the financial closeout requirements of all grants and will contact the PI as needed. Closeout of a grant does not automatically cancel any requirements for accountability, record retention or financial accountability. Following closeout, the grantee remains obligated to return funds due as a result of later refunds, corrections or other transactions. Subject to recovery amounts are based on the results of an audit covering any part of the grant period. See 2 CFR 200.344 – Closeout for additional information.

RECORD RETENTION

Any activities undertaken during the project and all expenditures incurred become part of the records, or documentation. In evaluating the project, the funding source will want to know exactly what was done, when and how it was done, and how much money it cost. Accurate and complete records are a must; these records will support the college during a monitoring visit from funding agency representatives, in the evaluation of the project, during the college's regular annual financial audit, or a funding agency audit. The following are some of the records that must be maintained as part of the project:

- Time and Effort Documentation (see Time and Effort Documentation section)
- Cost Sharing, Matching or Leveraged Resources (see Cost Sharing, Matching, or Leveraged Resources section)

The terms of the award will stipulate the length of time for which financial records, supporting documentation, statistical records and other records pertinent to the award must be maintained. Collin College will retain single and multi-year grant records per funding agency requirements. All record and documents will be retained for the required number of years from date the final report is submitted.

Requests for Transfer of Records

Per 2 CFR 200.335 Requests for transfer of records, The Federal awarding agency must request transfer of certain records to its custody from the non-Federal entity when it determines that the records possess long-term retention value. However, in order to avoid duplicate recordkeeping, the Federal awarding agency may decide for the non-Federal entity to retain any records that are continuously needed for joint use.

Methods for Collection, Transmission and Storage of Information

Per 2 CFR 200.336 Methods for collection, transmission, and storage of information, In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

Access to Records

Per 2 CFR 200.337 Access to records, The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

The rights of access in this section are not limited to the required retention period but last as long as the records are retained. Federal awarding agencies and pass-through entities must not impose any other access requirements upon non-Federal entities.

Restrictions on Public Access to Records

Per 2 CFR 200.338 Restrictions on public access to records, no Federal awarding agency may place restrictions on the non-Federal entity that limit public access to the records of the non-Federal entity pertinent to a Federal award, except for protected personally identifiable information (PII) or when the Federal awarding agency can demonstrate that such records will be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) or controlled unclassified information pursuant to Executive Order 13556 if the records had belonged to the Federal awarding agency. The Freedom of Information Act (5 U.S.C. 552) (FOIA) does not apply to those records that remain under a non-Federal entity's control except as required under §200.315 Intangible property. Unless required by Federal, state, local, and tribal statute, non-Federal entities are not required to permit public access to their records. The non-Federal entity's records provided to a Federal agency generally will be subject to FOIA and applicable exemptions.

OTHER CONTRACT REQUIREMENTS

In addition to other required provisions, all contracts made by the non-Federal entity under the Federal award must contain certain provisions per Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. Below are the provisions that must be included with most of Collin’s Federal awards:

Federal Funding Accountability and Transparency Act (FFATA)

Prime Grant Recipients awarded a Federal contract or order that is subject to Federal Acquisition Regulation clause 52.204-10 (Reporting Executive Compensation and First-Tier Subcontract Awards) are required to file a FFATA (Federal Funding Accountability and Transparency Act) subaward report by the end of the month following the month in which the prime recipient awards any subgrant (subaward) greater than \$25,000. The report is made available to the public via a single, searchable website, which is www.USASpending.gov. A copy of the signed subaward agreement will be used by the Grant Accountant to enter the information.

Debarment and Suspension

The College shall comply with OMB 2 CFR 200.214 Suspension and debarment requirements to comply with Federal agency regulations in accordance with E.O.’s 12549 and 12689 ‘Debarment and Suspension’. Under those regulations, certain parties who are debarred, suspended, or otherwise excluded may not be participants or principals in Federal assistance awards and subawards, and in certain contracts under those awards and subawards. No contract greater than \$25,000 will be made to parties listed on the General Services Administration’s (GSA) Excluded Parties List System (EPLS). This list is located at: <https://sam.gov/content/home>(System for Award Management (SAM)). Contracts are made only with responsible contractors who currently possess the ability to perform successfully under the terms and conditions set by the Purchasing Department. Consideration is given to matters as contractor integrity, record of past performance and conflict of interest.

Equal Opportunity Employer - EOE

Collin County Community College District (Collin College) is an equal opportunity employer and does not discriminate based on race, color, religion, gender, national origin, age, disability or veteran status.

Collin College is committed to the Affirmative Employment Plan and adheres to the policy that no discrimination based on race, color, religion, gender, national origin, age, disability or veteran status will exist in any area of employment practices at Collin College. Efforts and programs are directed toward expanding employment opportunities for individuals in protected groups, and preventing the development of policies and practices which may exclude or limit employment of individuals belonging to statutorily protected groups. (See Cougar Web Human Resources site for more information and written procedures on how to file a discrimination complaint)

Equal Employment Opportunity is THE LAW – DOL Poster

Americans with Disabilities Act - ADA

When an employee needs accommodations under the Americans with Disabilities Act (ADA), such as ASL interpreters or specialized equipment, the employee and/or hiring department should contact the Director of HR Information and Services in order to begin the process of determining eligibility for accommodations.

Approval Process:

- The employee must provide documentation of the disability to the Director of Human Resources Information and Services, who will determine if the employee's request is covered by the ADA.
- If eligible for accommodations, HR will work with the employee to determine the type of accommodation(s) needed that will enable the employee to accomplish the essential functions of the job.
- If approved, HR will plan for any accommodations that involve modifications to facilities, office furniture or the purchase of equipment.

See Cougar Web Human Resource site.

Jobs for Veterans Act – Pub L 107-288

The Jobs for Veterans Act requires priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement of services in any job training program directly funded in whole or in part, by DOL. The regulations implementing this priority of service can be found at 20 CFR Part 1010. In circumstances where a grant recipient must choose between two qualified candidates for training or a service, one of whom is a veteran or eligible spouse, the Veterans Priority of Service provisions require that the grant recipient give the veteran or eligible spouse priority of service by admitting him or her into the training program or providing that service. To obtain priority of service a veteran or spouse must meet the program's eligibility requirements. For more information, *See* ETA Training and Employment Guidance Letter (TEGL) No. 10-09 at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816.

Please review Appendix II to Part 200 for a complete list of required contract provisions and when they apply.

TERMINOLOGY

UNIFORM GRANT GUIDANCE – SEE SUBPART A OF 2 CFR 200 FOR FEDERAL DEFINITIONS

501 (c)(3): the section of the Internal Revenue tax code that defines the nonprofit, charitable (as broadly defined), tax-exempt organizations. Contributions made to these organizations are tax-exempt for the donors. To convey that status, they often represent themselves as 501 (c)(3) organizations, rather than merely nonprofit organizations

Abstract: summarizes the purpose, importance and scope of the proposed project

Accessibility: the extent to which programs or services can be reached or obtained by those who want or need them

Accrual: the method of recording revenues in the period in which they are earned, regardless of when cash is received, and reporting expenses in the period when the charges are incurred, regardless of when payment is made

Activity: the functional elements of a program

Administrative Action: a post-award administrative request to modify the conditions of the original grant. An administrative action may be monetary or non-monetary and may require prior approval from the Department

Administrative Costs: are all direct and indirect costs associated with the management of grant programs. They often are capped by the grantor at a certain percentage of the grant

Allowable costs: a cost for which an institution or agency may be reimbursed under a grant or contract with a governmental agency. OMB Circular defines allowable costs as those that are: 1) reasonable; 2) allocable to the project; 3) given consistent treatment by the generally accepted accounting procedures; and 4) conform to any limitation or exclusions set forth by the sponsored agreement or OMB Circular.

Amendment: term for amended or revised application

Applicant: a party requesting a grant

Application: a request for financial support of a project or activity submitted to a funder

Application Number: when an application has been successfully submitted to a funder and the funder assigns a unique number to that application. Applicants should keep a record of the application number and reference it when communicating with the funder

Application Package: a package that contains the application notice for one or more discretionary grant or cooperative agreement programs and all the information and forms needed to apply for those programs

Appropriations Legislation: a law passed by Congress to provide a certain level of funding for a grant program in a given year

Assurances: a listing of a variety of requirements, found in different Federal laws, regulations, and executive orders that applicants agree to by signature in an application

Audit: an examination of grant records and financial accounts for accuracy and legal compliance which may lead to recommendations for corrective action

Authorized Official: the individual, named by the applicant organization, who is authorized to act for the applicant and to assume the obligations imposed by the laws, regulations, requirements, and conditions that apply to grant applications or grant awards

Award: an award is a funder's agreement to contribute funding to a specific project. When a funder approves an award, a formal notice is sent to the recipient. This notice may include funding mechanisms such as grants, cooperative agreements, interagency agreements, contracts, and/or other agreements

Awarding Agency: is the Federal government or the next highest authority, i.e., the State agency administering the formula award or the Federal agency administering the discretionary award

Award Notification: an official document signed, by the funder, stating the amount and the terms and conditions of an award

Award Number: the identifying number for a discretionary grant or cooperative agreement award, issued by the funder

Baseline Data: the Initial information on program participants or other program aspects collected prior to receipt of services or program intervention. Baseline data are often gathered through intake interviews and observations and are used later for comparing measures that determine changes in your participants, program, or environment

Block Grants: formula funds that are not allocated to a specific category and are more flexibly distributed. Usually awarded to the States to aid State and local units of government for programs in accordance with legislative requirements

Budget Adjustment or Modification: Administrative changes made to the project budget. Amendments require Grant Accountant approval and frequently require funding source approval.

Budget Category: A portion of the budget designated for certain types of expenditures such as salaries, fringe benefits, travel, equipment, materials and supplies, participant support, subgrants or subcontracts, printing costs, indirect costs, etc.

Budget Cycle: The annual fiscal (for example, July 1 through June 30) period. The length of time the award is active. Every award should have specified beginning and ending dates. All expenditures must be incurred or encumbered during this period. If expenditures fall outside this period, they cannot be reimbursed. In some cases, the funding agency may approve pre-award costs.

Budget Justification: narrative providing details on the use of and need for costs presented in an itemized budget

Budget Period: an interval of time into which a project period is divided for budgetary purposes, usually twelve months. The budget period may be equal to or shorter than the project period for an award, but cannot be longer than the project period

Budget: the financial expenditure plan for the grant-supported project or activity. The budget consists of funder (grant) funds and, if required by the funder, grantee participation in the form of matching or cost sharing

Capital Equipment: An article of property that is not permanently attached to buildings or grounds and that has an acquisition cost of \$5,000 or more (including sales and/or use tax, freight, and installation) and a life expectancy of one year or more.

Carry Forward or Carry Over: An un-obligated balance from a prior Award period, which the funding source approves to be added to the subsequent Award budget.

Cash Basis: the method of reporting revenues and expenses when cash is received or paid out

Cash Contributions: the recipient's cash outlays for budgeted project activities, including the outlay of money contributed to the recipient by third parties

Catalog of Federal Domestic Assistance (CFDA Number): a publication, and database, that lists the grants and assistance programs of all Federal agencies and gives information about a program's authorization, fiscal details, guidelines, eligibility requirements, program contacts, application and award process. The program's CFDA number is required on grant application forms.

Certification: a statement, signed by an applicant or grantee as a prerequisite for receiving Federal funds, that it 1) meets or will adhere to certain conditions and 2) will undertake or not undertake certain actions

Closeout: the process in which the awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and the awarding agency. *This is the period AFTER the OBLIGATION period ends*

Code of Federal Regulations (CFR): a compilation of all final regulations issued by Federal agencies, published annually and divided by numbered "Titles."

Cognizant Agency: the Federal agency which, on behalf of all Federal agencies, is responsible for implementing the requirements of the Single Audit Act which include: reviewing, negotiating, and approving cost allocation plans, indirect cost rate and similar rates; receiving and approving non-federal audit reports; conducting federal audits as necessary; and resolving cross-cutting audit findings

Cohort: Population such as Upward Bound students that participate together in a program. Usually, programs with cohorts involve tracking and reporting of individual member progress.

Collaboration: Partnership in which key personnel from different institutions have substantial involvement in the development and performance of the project and the funding source makes only one award. The lead institution issues subcontracts or subgrants to the other collaborating institutions.

Co-Mingling of Funds: unallowable mixing of funds from more than one source in the same grant budget account

Consortium: A group of organizations sharing in the finances and/or administration of a single grant to accomplish that which no one can do as effectively as when working together.

Consultant: an individual who provides professional advice or services

Contracts: are entered into by the awarding agency, recipients or subrecipients, and commercial (profit-making) and non-profit organizations. Except for a few justified sole-source situations, contracts are awarded via competitive processes to procure a good or service

Contact person: the representative of the funder for the grant program, and may also serve as the program administrator or grant officer

Continuation Grant: a continuation grant provides additional funding for budget periods after the initial budget period

Continuation / Renewal Proposal: Additional funding increments for projects beyond the original grant period. See funding source guidelines for submission requirements

Contract: Agreement to acquire services that benefit the project. Contracts normally contain the following elements: 1) detailed financial and legal requirements must be included with a specific statement of work to be performed; 2) specific set of deliverables and/or reports; 3) separate accounting procedures are required; 4) legally binding contract clauses must be included; 5) benefits of the project accrue to the funding source and the college, and to the nation (in the case of federal grants)

Contracted Services: fees paid by a government agency, business, nonprofit agency or other organization to an organization for delivery of a service or program

Cooperative Agreement: An agreement over which the funding source has control and oversight of the work that is contracted. Involves substantial involvement between the agency and the recipient

Copyright: A statement of legal control over a document (usually by its author) that requires anyone seeking to reproduce the document to first obtain permission of the copyright holder.

Cost Reimbursement Contract/Grant: Agreement in which reimbursement payments are based on actual allowable costs which have been incurred in performance of the work

Cost-Share: the portion of program costs contributed by a grant applicant. Cost-sharing uses funds other than federal and is required by a grant program to pay the percentage of project costs not covered by the grant. Cost-sharing is also called "match" and is either a statutorily specified percentage of program costs that must be contributed by a grant applicant in order to be eligible or where the applicant voluntarily shares in the costs of the program

Culture: the shared values, traditions, norms, customs, arts, history, institutions, and experience of a group of people. The group may be identified by race, age, ethnicity, language, national origin, religion, or other social category or grouping

Data: specific information or facts that are collected. A data item is usually a discrete or single measure. Examples of data items might include age, date of entry into program, or reading level. Sources of data may include school records, case files, attendance records, referrals, assessments, interviews, and the like

Deadlines: Date and time by which applications for grants or contracts must be submitted. Pay close attention to whether the deadline is "to be received at the agency" by the deadline or "postmarked" by the deadline and whether deadline is local time or time at the funding source's location

Debarment: the ineligibility of a recipient to receive any assistance or benefits from the Federal government, either indefinitely or for a specified period, based on legal proceedings taken pursuant to regulations contained at 2 CFR Parts 180 and 3369

Deliverables: those products that are produced by a grant project. They may be quantified achievement, i.e., enrollments, or singular outcomes, i.e., a curriculum

Demonstration Grant: A grant made to fund an innovative project of limited duration which seeks to test the feasibility of an idea, approach or program with the intention of duplicating the project elsewhere

Demonstration grant: a grant made to fund an innovative project with the intention of duplicating the project elsewhere

Design: the plan and specification of the approach expected in a particular application. The design describes how you plan to measure program/project outcomes and how you plan to use the resulting measurements

Direct Cost: specific and identifiable costs of project operation. Those costs related to the actual conduct of a research project (salaries, fringe benefits, consultants, equipment, supplies, travel, patient costs, animal costs, human subject costs, publication costs, service contracts). Direct costs are usually itemized in grant application budgets. See Indirect Costs

Disallowed Cost: Expenditures questioned in an audit as not allowable for the project and will not be reimbursed by the funding source. Finding may result in repayment to funding source if reimbursement for expenditures already occurred

Dissemination of Project Results: Strategies to let colleagues or organizations know about the results of a grant project. Examples include websites, publications, published articles, conference presentation, workshops, etc.

Discretionary Awards: made to States, units of local government, or private organizations at the discretion of the awarding agency. Most discretionary awards are competitive in nature in that there are limited funds available and many potential recipients

DUNS Number: a Data Universal Numbering System (DUNS) number, a unique identifier available to organizations by registering with Dun and Bradstreet

Earmark: requirement by Congress that a Federal agency set aside funds within an appropriation for a stated recipient or purpose. Also known as "pork barrel spending"

Effort: the amount of time, usually expressed as a percentage of the total that a faculty member or other employee spends on a project. Does not include work done for supplemental pay

Effort Certification: Certification required by Federal regulations for all employees working on federally sponsored projects/grants. The percentage of effort reported for the period serves to substantiate the salaries and wages charged to federal grants

Employer Identification Number: the Employer Identification Number (EIN) is a 9-digit number assigned by the Internal Revenue Service

Encumbrance: an obligation in the form of a purchase order, or commitment which is chargeable to a grant award and for which part of the awarded amount is reserved. It ceases to be an encumbrance when paid in full

Equipment: defined in Federal terms as the tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit

Evaluation: the process of collecting and analyzing data on various aspects of a program, usually for the purpose of program planning and goal setting, improving processes and outcomes, securing and allocating resources. Includes formative (collecting and analyzing data to focus on "what's working and what needs to be improved") and summative (collecting and analyzing to investigate "what's been achieved" in a program)

Expanded Authority Grant: Policy implemented by some federal granting agencies which delegates certain prior approval authorities to grantee institutions. This delegation allows for internal college approval of administrative and spending actions, thus avoiding delays in project progress.

Expiration Date. The date specified in the grant award notification after which expenditures may not be charged against the grant unless to satisfy obligations committed before that date.

External Evaluator: A Professional external to the project with the background and qualifications to conduct a high-quality evaluation based on the project requirements. Most external evaluators are external to the College and are hired with a Professional Services Contract. However, some

programs consider the evaluator to be external if they are external to the project. In these situations, the external evaluator could be a College employee or a former employee.

Facilities and Administrative (F&A) Costs – Costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular project, an instructional or any other activity are designated F&A. These costs are synonymous with “indirect” costs, as used in OMB 2 CFR 200.414.

Fiscal Year (FY): the 12-month accounting period at the end of which the books are closed for an agency or governmental unit

Formative Evaluation: Type of project evaluation that is conducted throughout the implementation of the project activities. Results are used to assess progress, identify potential or actual problems, and formulate and implement corrective action.

Formula Grants: Funds distributed by the Federal government (usually to state agencies) for use in specified projects. The funds are awarded based on demographic and economic data from which a formula has been computed.

Fringe Benefits: Benefits such as life and health insurance, retirement, unemployment compensation and workers compensation that are paid in addition to salary. Benefit packages can change yearly.

Full Time Equivalent: The amount of time spent or required in a less than full time activity divided by the amount of time normally spent or required in a corresponding full-time activity during the regular school term. (Also referred to as a regular budgeted position)

Funder: the governmental unit, foundation or other entity that awards grants

Funding Cycle: the schedule of events starting with the announcement of the availability of funds, followed by the deadline for submission of applications, review of applications, award of grants and release of funds

Funding priorities: a means of focusing a competition on the areas in which the agency is particularly interested in receiving applications; priorities take the form of specific kinds of activities that applicants are asked to include in an application to receive preference in the review process; the U.S. Department of Education has the following classifications for priorities:

- **Absolute priorities** are those which the applicant must address to be considered for funding.
- **Competitive priorities** are optional and may provide bonus points or be given some other advantage in funding.
- **Invitational priorities** also are encouraged, but not required. The only advantage they offer is serving as a tiebreaker between proposals with the same score.

General/operating support: a grant made to further the general purpose or work of an organization, rather than for a specific purpose or project; also called an unrestricted grant.

Gift: Contribution from a private, non-governmental source, made without expectation of any product or service of a tangible or intangible nature in return

Grant: Funding award made based on a submitted proposal, usually in response to application guidelines. An agreement to accomplish something for the public good in exchange for money, property or services.

Grant Administrator: the member of the Federal organization who has the official responsibility for administering the award, e.g., for negotiating budget revisions, overseeing the submission of required reports, and ensuring compliance with the terms and conditions of the award.

Grant Application: The proposal instructions developed by a funding source that must be followed by applicants developing a proposal for consideration for funding.

Grant Agreement: a grant agreement is a legal instrument for the transfer of funds from the funder to the grantee and which sets forth the terms and conditions of the award.

Grant Award Notification (GAN): an official document signed by a program official who is authorized to obligate the Department in financial matters. The GAN states the amount and the terms and conditions of an award for a discretionary grant or cooperative agreement.

Grant Period: the period that extends from the effective date through the expiration date.

Grant Proposal: plan written about a project or program to secure funding to accomplish its objectives. Typically, grant proposals are written in response to and in accordance with a grant application or set of instructions and must be submitted by a specific deadline. All proposals require institutional approval by an official with the authority to commit college and district resources. Most grant competitions are very competitive

Grant Writer: Principal author of a grant proposal

Grantee: an organization that has been awarded financial assistance for a project. The grantee is the entire legal entity even if a particular component (e.g., department, office, or agency) carries-out the grant -funded activities. The grantee is legally responsible and accountable to the funder for the performance and financial aspects of the grant supported project or activity.

Grantor: a governmental unit, foundation, or other entity that awards grants.

Human Subjects Research: Research and grants projects involving human participants whose rights must be protected. The protection of Human Subjects is overseen by the Institutional Review Board.

Indirect Costs (IDC): Overhead and administrative costs which cannot be identified specifically with a particular program, project, or activity. They are costs that are incurred for several purposes which are necessary to the operation of the institution or agency. For example, space, utilities, custodial services, security, library services, animal facilities, information systems, shared research facilities, institutional review board, institutional animal care and use committee, biosafety, payroll, purchasing, grant management, library resources, building maintenance, and general administration. Negotiated indirect cost rate agreement approved by a cognizant federal agency is used for all federally funded projects, as allowed. *See* Facilities and Administration costs

Indirect Cost Rate Agreement: a formalized, written, and signed agreement between a recipient and the cognizant federal agency that specifies the treatment of indirect costs. The agreement includes, at a minimum, the approved rate(s); base(s) to which the rate(s) apply; applicable fiscal year; specific treatment of certain items of cost; general terms and conditions; and any special remarks. The rates and cost treatment laid out in the agreement are accepted and used by all federal agencies unless prohibited or limited by statute,

Indirect cost rate proposal: the documentation prepared by an organization to substantiate its claim for the reimbursement of indirect costs; this proposal provides the basis for the review and negotiation leading to the establishment of an organization's indirect cost rate.

In-Kind: the value of noncash contributions provided by third parties or the grantee. In-kind contributions may be in the form of charges for real property and equipment or the value of goods and services directly benefiting and specifically identifiable to the project.

Informed Assent: Process of letting potential participant under 18 years of age know about the project as described in informed consent (see below) and obtaining their agreement to participate in the project.

Informed Consent: Process of letting potential participants in grant-funded projects and research studies know the project purpose, methodology, risks/benefits, data confidentiality, withdrawal rights, contact information about project leaders, etc. and obtaining their consent. If participant is under 18 years of age, parent or legal guardian must give consent.

Intergovernmental Agreement: agreement between two governmental entities which must have statutes in it required by law

Journal Vouchers: an accounting entry for the recording of certain transactions, corrections or information. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more property authorized officials.

Key Personnel: the individuals who contribute to the development or execution of a project in a substantive, measurable way, whether they receive salaries or compensation under the grant. Consultants also may be considered key personnel if they meet this definition. "As needed" is not an acceptable level of involvement for key personnel.

Letters of Commitment: letters-of-commitment specifically list services, money or other inputs promised to the project by partner organizations.

Letters of Support: letters-of-support are written endorsements of an application for funding; they are provided by organizations or individuals who are familiar with the applicant's ability.

Leveraged Resources: As defined for ETA programs means all resources used by the grantee to support grant activity and outcomes, whether those resources meet the standards required for match.

Local Government: a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of government, or other regional or interstate government entity, or any agency or instrumentality of a local government.

Matching funds: funds, other than federal, required by a grant program to pay the percentage of project costs not covered by the grant; it is the portion of program costs contributed by a grant applicant. Match is also called cost-share and is either a statutorily specified percentage of program costs that must be contributed by a grant applicant in order to be eligible or where the applicant voluntarily shares in the costs of the program. *See Cost Sharing*

Measurable Objectives: Goals stated in such a way that the achievement or non-achievement of this goal may be determined with a relative degree of precision by objective observation and measurement (also called criterion-based objectives)

Memorandum of Understanding (MOU): an agreement developed and executed among partners relating to their roles in a joint operation.

Needs Assessment: A continuous, formal process for identifying and quantifying problems and critical areas.

No Cost Extension: A request to extend the grant period beyond the previously approved end of the grant and for which no additional funds are granted beyond what was previously approved for award.

Noncompetitive Discretionary Funds: funds that may be issued, when warranted, to a "sole source" because no other provider will meet the RFP's requirements. Legislators often make this type of funding available to heads of state and heads of departments to use at their discretion. See "earmark."

Notice of Funding Availability (NOFA): a term used for the announcement of a funding competition or RFP.

Notice of grant award: the legally binding document that notifies the grantee and others that an award has been made, contains or references all terms and conditions of the award, and documents the obligation of Federal funds. The award notice may be in hard copy or may be issued electronically.

Objective: a specific statement that explains how a program goal will be accomplished. For example, an objective of the goal to improve adult literacy could be to provide tutoring to participants on a weekly basis for 6 months. An objective is stated so that changes (in this case, an increase in a specific type of knowledge,) can be measured and analyzed. Objectives are written using measurable terms and are time limited.

Obligated Funds: funds that are unexpended but are encumbered at the end of the funding period to cover the known obligations; they are unexpended funds.

Obligation: the amounts/orders placed, contracts and awards issued, goods and services received, and similar transactions during the award period that will require payment.

Office of Management and Budget (OMB): a branch of the federal government that oversees procurement, financial management and regulatory policies.

Office of Management and Budget (OMB) Circulars: administrative policy documents issued by OMB that give instruction to Federal agencies on a variety of topics, including the administration of Federal grants and cooperative agreements.

Official Function: Expense such as food that needs justification as to the public purpose it produced to the funding agency or campus. Institutional approval is required prior to the function

Outcomes: the result of the program, services, or products you provide and refer to changes in knowledge, attitude, or behavior that you expect to occur as a result of implementing the project or program, service or activity.

Outcome Evaluation: designed to assess the extent to which a program or intervention affects participants according to specific variables or data elements. These results are expected to be caused by program activities and tested by comparison of results across sample groups in the target population. Outcome evaluation is also known as impact and summative evaluation.

Outcome Objectives: differences, including the changes in knowledge, attitudes, awareness, or behavior that you expect to occur as a result of implementing your program component, proposal, service, or activity. Outcomes should flow directly from program goals and may be long or short-term.

Outreach: Contributes to eliminating artificial barriers to the use of educational resources by finding new ways to serve.

Overhead: *See* Indirect Costs.

Partnerships: partnerships involve similar organizations that help each other meet their respective goals, without making substantial changes in the services they provide.

Pass Through Agency: state or local agency that receives federal funds and conducts its own application and award process.

Performance Funding: performance funding is based on the timely submission of deliverables according to the specifications negotiated between grantor and grantee.

Performance Indicator: a target level of performance expressed in measurable terms, against which actual achievement can be compared (i.e., student retention rates will increase on percent annually for each of the next five years).

Performance Measure: a characteristic or metric that can be used to assess the performance aspects of a program or project (i.e., dollars expended, students enrolled, grade- point average, and number of jobs offers received).

Performance Period: the total amount of time during which the funder authorizes a grantee to complete the approved work of the project described in the application. Performance periods of more than 1year in duration are divided into budget periods.

Performance Report: a report of the specific activities a grantee has performed during the budget or performance period.

Pre-Application: A prospectus following a prescribed format developed by an agency and utilized to screen proposals.

Prime Grantee or Prime Contractor: A single agency which has the overall responsibility for conducting a program usually involving subcontractors.

Program: a coherent assembly of plans, project activities, and supporting resources contained within an administrative framework, the purpose of which is to implement an organization's mission or some specific program related aspect of that mission.

Program Income: money that is earned or received by a recipient or a subrecipient from the activities supported by award funds or from products resulting from award activities. It includes, but is not limited to, income from fees for services performed and from the sale of items fabricated under an award; usage or rental fees for equipment or property acquired under an award; admission fees; broadcast or distribution rights; and royalties on patents and copyrights.

Program Officer: The funding source representative who has the task of monitoring the project, providing technical assistance to the project, approving major changes, and ensuring that the objectives are carried out within the framework of regulations.

Programmatic Report: see 'Performance Report'

Project Funds: federal and nonfederal funds that are used to cover the cost of budgeted project activities

Project period: an extended amount of time, during which a grantee is required to complete the approved work of a project.

Proposal: An application submitted to an external funding source that may lead directly to a funding award. All proposals require institutional approval by an official with the authority to commit college and district resources.

Quasi-Scientific Research Model: Evaluation methodology used by some agencies such as the US Department of Education that requires comparison of program participants with a similar non-participating group.

Qualitative data: are difficult to measure, count, or express in numerical terms. For example, a participant's impression about the fairness of a program rule/requirement is qualitative data.

Quantitative data: can be expressed in numerical terms, counted or compared on a scale; for example, improvement in a child's reading level as measured by a reading test

Real Property: land, including land improvements, structures, and appurtenances, but not movable machinery and equipment.

Recipient: the organizational entity or individual receiving a grant or cooperative agreement.

Renovation: work that changes the interior arrangements or other physical characteristics of an existing facility or of installed equipment so that it can be used more effectively for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement.

Reporting Requirements: Performance and fiscal requirements set by the funding source. The PI/project director is responsible for the performance report and Grants Accounting is responsible for producing and submitting financial reports.

Request for Proposals (RFP): An announcement by an agency that it is accepting proposals to accomplish a specific objective. The RFP typically contains detailed instructions related to the written proposal.

Reviewer, Grant Reviewer, Peer Reviewer, Field Reviewer: an individual who reviews and scores a competitive proposal. Reviewers are chosen for their subject-area expertise and typically serve on a panel or "technical" panel of at least three members.

Set asides: funds reserved by a grantor for a specific purpose or project.

Single State Point of Contact (Single State Point of Contact): state contact that district must use when applying for certain federal grants

Selection Criteria: standards by which different components of a proposal are rated and scored to qualify for funding.

Stewardship: The obligation to be responsible caretaker of public and private funding resources awarded to the college and the District.

Subgrant: a contract between institutions or partners for project participation in the prime grant. The lead institution that received the award initiates the subgrant which is reviewed and signed by legal representatives of both institutions.

Subrecipient: the legal entity to which a sub-grant is awarded, and which is accountable to the recipient for the use of the funds provided.

Substantial progress: a level of accomplishment that a grantee must make in its project during a budget period, which produces measurable and verifiable evidence that the activities undertaken complied with those objectives submitted and agreed on between the grantee and the Department during the grant awarding process.

Summative Evaluation: Final evaluation, including both quantitative and qualitative data that is completed at the conclusion of the entire grant period. It particularly focuses on whether project goals and objectives were accomplished and project success indicators

Supplanting: illegal use of grant funds to pay for ongoing activities already budgeted or for the usual activities assigned to a position.

Supplies: all personal property excluding equipment and intangible property, as defined in this glossary.

Suspension: 1) the temporary withdrawal of Federal sponsorship, including the withdrawal of authority to incur expenditures against award funds, pending corrective action; 2) a decision to terminate the award or the suspension of an individual or organization causes that party to be temporarily ineligible to receive any assistance and benefits from the Federal government pending completion of investigation and legal proceedings as prescribed under Federal regulations.

Termination: cancellation of Federal sponsorship of a project, including the withdrawal of authority to incur expenditures against previously awarded funds before that authority would otherwise expire.

Terms and Conditions: all legal requirements imposed on a grant by the funder, whether based on statute, regulation, policy, or other document referenced in the grant award, or specified by the grant award document itself.

Title: A major section of a piece of legislation, e.g., Title I Higher Education Act, 1965.

Total Project Costs: the total allowable costs incurred by the grantee to carry out a grant-supported project or activity.

Unallowable Cost: a cost determined to be unallowable in accordance with the applicable cost principles or other terms and conditions contained in a grant award.

Unexpended Funds: the funding (money) not spent during the award process.

Unrestricted Grant: general or operating support made to further the general purpose or work of an organization, rather than for a specific purpose or project.

Unsolicited Proposals: Agencies may allow institutions to submit proposals which may or may not match the priorities of those agencies. Proposal may be an offer to perform tasks which are not the results of an RFP announced by the agency.

Zero Balance: at the closing of a grant, when cash, expenditures, budget, and revenue are equal, the budget is said to have a zero balance.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services1301 Young Street, Suite 106-1140
Dallas, TX 75202
PHONE: (214) 767-3261
FAX: (214) 767-3264
EMAIL: CAS-Dallas@psc.hhs.gov

September 29, 2020

Melissa Irby
Chief Financial Officer
Collin County Community College District
3452 Spur 399
McKinney, TX 75069

Dear Ms. Irby:

A copy of an indirect cost rate agreement is being sent to you for signature. This agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and return to me by email, retaining the copy for your files. Our email address is CAS-Dallas@psc.hhs.gov. We will reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect cost under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 08/31/2023 is due in our office by 02/28/2024. Please submit your next proposal electronically via email to CAS-Dallas@psc.hhs.gov.

Sincerely,

Arif M.
Karim -S
Arif Karim
Director
Cost Allocation ServicesDigitally signed by
Arif M. Karim -S
Date: 2020.09.30
12:48:39 -05'00'

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1752037156A1

DATE:09/29/2020

ORGANIZATION:

FILING REF.: The preceding agreement was dated 12/01/2015

Collin County Community College District

4800 Preston Park Blvd.

P.O. Box 869055

Plano, TX 75086-9055

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: Facilities And Administrative Cost Rates

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	09/01/2020	08/31/2024	41.50	On Campus	All Programs
PRED.	09/01/2020	08/31/2024	23.00	Off Campus	All Programs
PROV.	09/01/2024	Until Amended			Use same rates and conditions as those cited for fiscal year ending August 31, 2024.

*BASE

ORGANIZATION: Collin County Community College District

AGREEMENT DATE: 9/29/2020

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

ORGANIZATION: Collin County Community College District

AGREEMENT DATE: 9/29/2020

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s) the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

FRINGE BENEFITS:

Retirement
Worker's Compensation
Life Insurance
Unemployment Insurance
Health Insurance
Dental Insurance
Medicare

Your next proposal based on actual costs for the fiscal year ending 08/31/2023 is due in our office by 02/28/2024.

Equipment means 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.

ORGANIZATION: Collin County Community College District

AGREEMENT DATE: 9/29/2020

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:

Collin County Community College District

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

(NAME)

(TITLE)

(DATE) 2322

HHS REPRESENTATIVE:

Telephone:

Arif M. Karim -S Digitally signed by Arif M. Karim -S
Date: 2020.09.30 12:47:27 -05'00'

Denise Shirlee

(214) 767-3261



Exhibit 12 On Demand Payment Request

EMPLOYEE INFORMATION

DATE

Full Name				
Faculty	Staff	FT	PT	CWID
Title			Campus	Cost Center

REQUEST INFORMATION

Reason for Request	Requested Amount \$
--------------------	------------------------

APPROVAL INFORMATION

1 Associate Dean or Direct Supervisor Name	2 Provost or Manager Name
--------------------------------------------	---------------------------

X _____ Date _____
Signature 1

X _____ Date _____
Signature 2

PERSON INITIATING THIS FORM

Name	Title
Email	Phone

Send completed form & supporting documents to Payroll in Administrative Services at CHEC. Questions email payrolltimesheets@collin.edu

ADMINISTRATIVE SERVICES ONLY

Payment \$	Date Processed
------------	----------------

X _____ Date _____
Payroll Director

X _____ Date _____
Chief Financial Officer

On-Demand Payment Request Procedures

INFORMATION

Reasons for an On-Demand Payment Request:

On-Demand Pay Request checks are issued when an employee has not been paid at all.

FORM SUBMISSION

Form should be completed, signed and submitted to Payroll in Administrative Services at CHEC.

Or emailed to: payrolltimesheets@collin.edu

Supporting documents should be included with the completed form.

PAYMENT

Once request form is processed by Payroll, payment will be in the form of Direct Deposit.

Requests are normally processed the first Wednesday of each month. If the request form is received on or after that Wednesday, it will be processed in the regular payroll run for the current month.

**Collin College
Annual Budget Calendar**

Date to be determined	Initial budget allocation, budget detail, supplemental and salary worksheets are e-mailed to Leadership Team members and/or Cost Center Managers.
Date to be determined	Budget development training for new employees at Collin Higher Education Center - Room TBD (in-person & virtual options). Additional training sessions will be set up if necessary.
Date to be determined	Salary worksheets are due to the budget office.
Date to be determined	Budget worksheets including supplemental budget requests are due to the budget office.
Date to be determined	Leadership Team members meet individually with Administrative Services to discuss their requested budgets.
Date to be determined	Cabinet receives preliminary budget reports, including supplemental items.
Date to be determined	Finance and Audit Committee receives proposed budget for review.
Date to be determined	Board approves the proposed budget.

Detailed Budget Timeline

Exhibit 13.2

<u>Due Date</u>	<u>Assignment</u>
date to be determined	prepare preliminary calendar
date to be determined	e-mail to CFO re: prelim budget calendar approval
date to be determined	e-mail to LT/admins re: availability for meetings
date to be determined	request CHEC rooms LT meetings
date to be determined	set up meetings for LT meetings
date to be determined	request CHEC room budget development training
date to be determined	send approved budget calendar to LT/admins
date to be determined	Update CougarWeb with new budget calendar (email Admin)
date to be determined	begin work on Allocation Spreadsheet
date to be determined	complete Allocation Spreadsheet & CFO approval
date to be determined	set up Budget Book file
date to be determined	run payroll/salary spreadsheet (after Feb payroll/faculty load)
date to be determined	set up Supplemental worksheet/Backfill worksheet (and data validations) & Master Files
date to be determined	set up Salary File
date to be determined	set up Supplemental worksheet/Backfill worksheet (and data validations) & Master Files
date to be determined	send e-mail re budget training/sign ups with calendar
date to be determined	allocations sent to VPPs and LT members needing extra time to review
date to be determined	run file for budget detail (after Feb close)
date to be determined	set up Budget Detail Files
date to be determined	send Salary Files to Org Mgrs for verification
date to be determined	budget detail, supplemental, backfill files and remaining allocations sent to Org Managers/LT
date to be determined	CE Revenue/Auxiliary/Grants budget detail sent to Org Managers/LT
date to be determined	send funds available spreadsheet to SAFAC
date to be determined	check to see if there will be a tuition increase for fall
date to be determined	email Public Relations re cover for budget and submit project request form
date to be determined	find PR photos for Budget Book/CAFR - get approval from Barbara and Lenora
date to be determined	work on training presentation and handouts
date to be determined	budget development training
date to be determined	full-time personnel/salaries due from organization managers
date to be determined	budget worksheets including supplemental requests and revenue estimates due to Business Office
date to be determined	analyze General College budget and Facilities Property Insurance & Utilities Budgets with Barbara
date to be determined	send Backfill file to IT
date to be determined	update budget book - YTD Actuals & Current Budget Columns
date to be determined	Create Files; Print detail, salary, supplemental files for binders for LT Meeting
date to be determined	deliver budget information to LT
date to be determined	Talk to Plant & Admin about LT Meetings rooms - water/cooler, power strips, square set up, comfy chairs
date to be determined	review budgets with LT in LT Meeting
date to be determined	make changes based on LT meetings and send updated emails with edited info
date to be determined	update a final clean version of master supplemental file for CFO and President to use in their meeting
date to be determined	Cabinet receives preliminary budget reports, including supplemental items.
date to be determined	send SAFAC annual budget emails to each awarded group
date to be determined	freeze Salary File amounts
date to be determined	create supplemental file for book - shorten descriptions
date to be determined	work on narrative portion of next year's budget book
date to be determined	update charts and graphs and order of budget book

<u>Due Date</u>	<u>Assignment</u>
date to be determined	budget cover and insert pages due from Public Relations - get approval from Barbara
date to be determined	assist CFO with YE Powerpoint and print-outs
date to be determined	email Finance admin to enter requisition for budget book prints; give PO # to PR
date to be determined	proposed budget book printed from PDF - review for typos, format, and tie #s
date to be determined	Finance and Audit Committee receives preliminary budget reports, including supplemental items
date to be determined	test EIB upload in Sandbox - tie out
date to be determined	Board Committee reviews budget
date to be determined	Board approves budget
date to be determined	email to post required info for HB2504
date to be determined	final budget book printed from PDF - tie all #s and check format
date to be determined	create child and parent templates for new fiscal year
date to be determined	upload budget in Workday, reconcile, submit, and turn on budget check option
date to be determined	email CC Managers that budget has been loaded and suppl funds are pending
date to be determined	final budget book to CFO and AVP for review
date to be determined	email PR to print Budget Book
date to be determined	publish Budget Book PDF to Cougarweb
date to be determined	Load Supplemental as approved by CFO/President and send out emails
date to be determined	budget books sent to printer by PR
date to be determined	Upload approved budget book to THECB
date to be determined	Upload approved budget book to the Legislative Budget Board
date to be determined	Email Budget Book link under Financial Transparency to Governor's Budget & Planning Office
date to be determined	Mail physical copy of Budget Book to Legislative Reference Library
date to be determined	Drop physical copy of Budget Book to EVP/Admin & SVP/Admin

Selecting the Procurement Method

Exhibit 14.2.A

<u>Activity Description</u>	<u>Invitation to Bid</u>	<u>Request for Proposals</u>	<u>Request for Qualifications</u>	<u>Request for Quotes</u>
When to Use	When specification or statement of work is well-defined. Typically, better suited for goods but could be used for services with well-defined routine type services.	When you are requesting that each proposer develop or provide ideas or solutions because you don't have complete specifications. You know the desired outcome, but not how to get there. Services would typically be better done with an RFP.	When contracting for professional services that don't require the competitive solicitation process or when doing a two-step process that starts with qualifications only and then pricing requested in the second step.	When the cost of goods or services will be between \$10,000 and \$49,999.99 but will be used by multiple campuses/end users. You might also use this if you are unaware of what vendors can provide the goods or services.
Advertisement	Required	Required	Not required but preferred	Not Required
Opening	Public: price and all data announced and available to the public. Pricing should be submitted in the line items section of lonwave so that this is available when the bid opens.	Public: only names of proposers are read/available; pricing and all other data not available until after award. Exception for RFPs for construction: price is required to be made public at opening. Make sure in lonwave you only have the vendor submit a line item price with \$.01. Price should be submitted as an attachment so that it is not made public until after award.	Public: only names of proposers are read/available; pricing and all other data not available until after award.	Not applicable
Evaluation	Based strictly on technical specifications with no material changes.	Based on quality with multi-criteria evaluation assigning weighted values to various parts of each proposal. The evaluation and weighted values need to be included in the specification documents.	Based on qualifications and experience with multi-criteria evaluation assigning weighted values to various parts of each proposal. Pricing cannot be requested of professional services. The evaluation and weighted values need to be included in the specification documents.	Treat this the same as either ITB or RFP depending on your specifications and the goods/services being requested
Discussion	none	Discussions may ensue with top scored proposers to gain a better understanding of proposal	Discussions may ensue with top scored respondent to gain a better understanding of qualifications	Treat this the same as either ITB or RFP depending on your specifications and the goods/services being requested
Negotiations	none	May request best and final offer from proposer or make changes to proposed product/service	Price is only requested from the most qualified and must be provided at a fair price. Negotiations on price and scope can be done. If negotiations fail, you move on to the next most qualified respondent and cannot go back to the initial respondent.	Treat this the same as either ITB or RFP depending on your specifications and the goods/services being requested
Award	Typically, lowest responsive and responsible bidder but per the education code we can use best value	Best value proposal	Most qualified response	Treat this the same as either ITB or RFP depending on your specifications and the goods/services being requested

**Internal Operating Procedure
Receipt of Electronic Sealed Bids or Proposals**

Exhibit 14.3.B

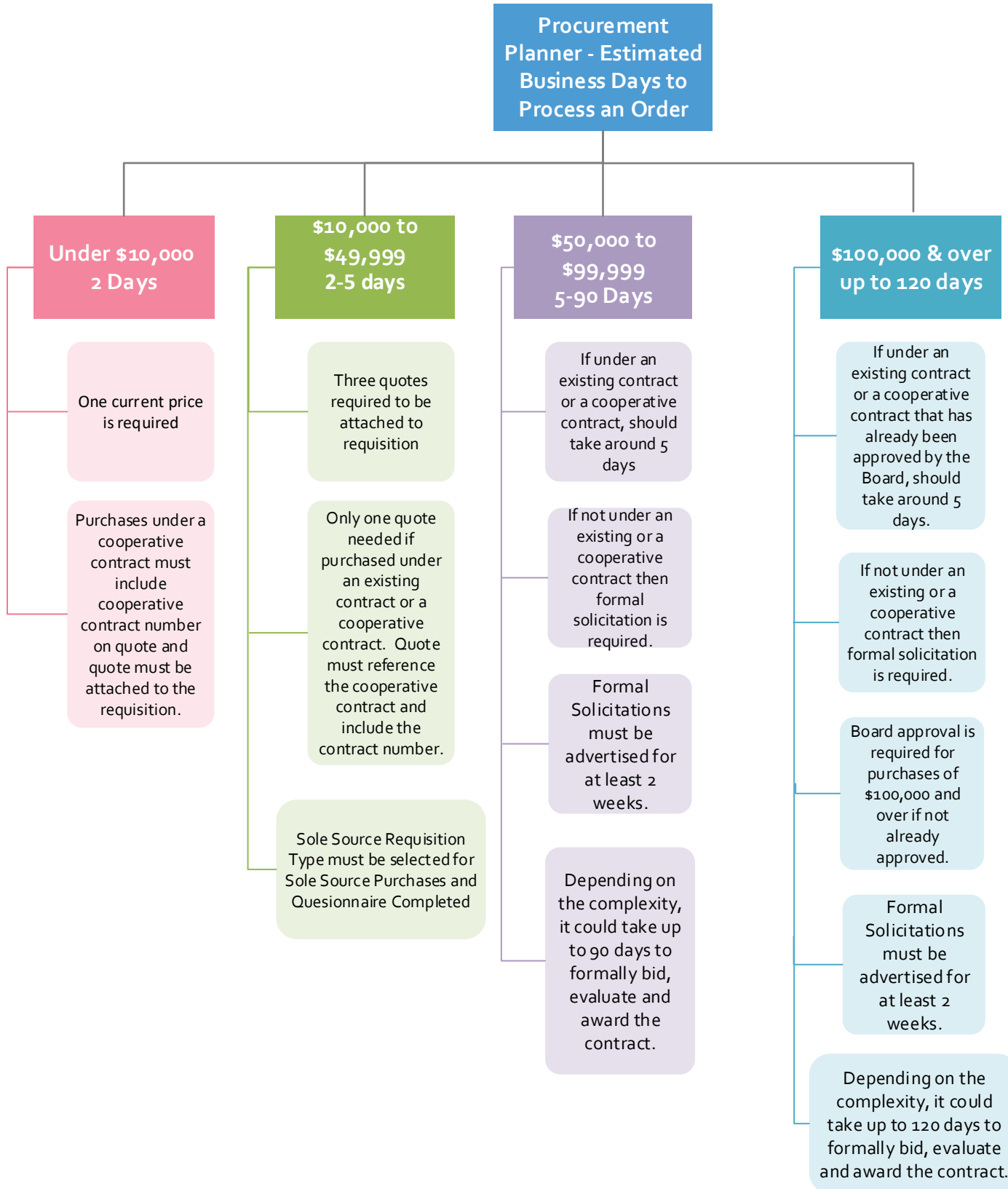
SUMMARY: This procedure will apply to sealed bids and proposals that are estimated to cost \$50,000 plus, or the sealed bid/proposal dollar levels as defined by current State law or Board Policy. This procedure is to ensure the identification, security and confidentiality of electronic bids or proposals and to ensure that the electronic bids or proposals remain effectively unopened until the proper time.

Responsible Staff	Procedure
Purchasing Staff	Places solicitation notice advertisements as required by State law. A notification will be added to the solicitation advertisement stating vendors may submit responses electronically through the electronic bid system, listing the appropriate address.
Purchasing Staff	Will prepare the solicitation document within the system and add commodity codes, which will automatically select vendors to receive notification of the solicitation based on the commodity codes. Vendors that are not registered in the system may be manually added prior to or after issuance of the solicitation. The system will send an email notification to all vendors that have been added. The email notification will include a link to the solicitation.
Vendor	Can view the solicitation without being registered in the system, but must register in order to submit the solicitation electronically. Must provide all required information in the system and upon completion will submit the response electronically. If all required information is not provided, then the vendor will receive an error message that tells them what they still need to complete. Upon successful submission of the response, the vendor will receive a message indicating that their response has been submitted. Vendors are encouraged to submit responses to solicitations online, as online submission will eliminate errors and unnecessary work and is more environmentally friendly.
Purchasing Staff	Only a password-enabled purchasing employee will be able to unseal the electronic responses and only at the established closing time and date. The electronic system used is locked and cannot be unsealed until the date and time indicated. The date and time can be extended, if needed.
System	A bid tabulation will automatically be populated by the system and available for public viewing after being unsealed by a purchasing staff member. Request for Proposal pricing and content remains confidential until after award of the contract.
Buyer	Will read aloud all electronic bid responses successfully submitted by closing time and date to interested parties that may be present. Vendors can view the bid tabulation from any web browser without having to attend a bid opening. Any manual responses received will not be readily available on the bid tabulation. Manual responses will be added by the Buyer.
System	Will post recap electronically as appropriate with the following statement being included as an attribute in the bid document: <i>All bids submitted electronically for the designated project will be reflected on bid tab sheets available for download upon closing of the bid. The listing of a bid on these tabulation sheets should not be construed as a comment on the responsiveness of such bid or as any indication that the District accepts such bid as responsive. Bids submitted manually will not be reflected in the online bid tabulation. The District will notify the successful bidder upon award of the contract. Request for Proposal pricing and content shall remain confidential until after award of the contract.</i>
Purchasing Assistant	Makes the award of the contract within the system, which sends an email notification to the awarded and non-awarded vendors. The award information is available publicly through the system.

Exhibit

14.5

Procurement Planning - In order to assist everyone in preparing items to be purchased that will require Board approval, the following estimated timeline for submission has been developed as a guideline. All timelines are estimated and may be longer depending on complexity, number of bids/RFPs received, timeliness of departments in providing required information and timeliness of evaluation team in completing evaluations. If it is determined that the **aggregate** purchases during the fiscal year for a class of items exceeds \$100,000, Board approval will be required for those items prior to a purchase order being issued. If you are not sure if the 12-month aggregate will apply to your purchase, please contact Purchasing and we will check the total expenditure for the period. Any requisitions that do not have to be bid, but will need Board approval, must be received by the Purchasing one week prior to the Board Agenda Due Date. A requisition and specifications are required before any items to be purchased will be put out to bid or placed on the Board Agenda.



Notes to Consider:

1. Cooperative contracts over \$100,000 annually, Procurement takes to the August Board meeting for approval.

2. Any purchase that will go over the amount approved by the Board has to go back to Board for approval.

3. Punchout orders under \$5,000 only require budget check and cost center manager approval then go directly to supplier.

4. Board meetings are held the fourth Tuesday of the month and generally not held in July and November. Board meetings in December are usually held earlier in the month.

5. Board agendas are due to the President's Office approximately two weeks prior to the Board meeting. Buyers are required to have agenda items to the Purchasing Administrative Assistant by noon on the first business day of the month.

6. Sole source purchases of \$10,000 or more must be in accordance with the District's Sole Source Procurement Policy and must be submitted using a Sole Source Requisition type and questionnaire completed. 7. The time it takes to complete a solicitation depends on the complexity, time for evaluations to be completed, number of responses received, time of year and other factors that can effect the timelines.

8. Orders with supplier agreements attached may take longer for review and approval of changes.

Cooperative Purchasing Contracts

Exhibit 14.6.C

The District participates in several cooperative purchasing programs that offer volume discounts for items commonly purchased by a number of public entities. Purchases made from these contracts meet the competitive bid requirements set forth by State Statutes. These contracts are typically used for smaller dollar purchases where it is not cost effective for the District to put out a bid for an annual contract. These contracts can be used to obtain pricing for any dollar amount, but must go to the Board if the cost exceeds \$50,000 threshold. Following is a list of some of the cooperative programs that are available for use:

- Buyboard (Texas Association of School Boards (TASB)) <http://www.buyboard.com>
- Collin County Governmental Purchaser's Forum <http://www.collincountytx.gov/purchasing/Pages/interlocal.aspx>
- E&I Cooperative <https://www.eandi.org/>
- Equalis Group <https://equalisgroup.org/purchasing-contracts/>
- Harris County Department Education (HCDE) - Choice Partners <https://www.choicepartners.org/available-contracts>
- Houston-Galveston Area Council of Governments (H-GAC) <http://www.h-gac.com/cooperative-purchasing/default.aspx>
- Interlocal Government Contracts
- Omnia Partners <https://public.omniapartners.com/>
- Region 10 Education Service Center
- Sourcewell <https://www.sourcewell-mn.gov/>
- Tarrant County Cooperative Purchasing Program <http://access.tarrantcounty.com/en/purchasing/cooperative-purchasing-information.html?linklocation=lwantto&linkname=Cooperative Purchasing>
- Texas Department of Information Resources (DIR) <http://dir.texas.gov/>
- Texas Interlocal Purchasing Systems (TIPS/TAPS) <http://www.tips-usa.com>
- Texas Procurement and Support Services (TPASS) <https://www.comptroller.texas.gov/purchasing/contracts/search.php>
- U.S. General Services (GSA), <https://www.gsa.gov/buy-through-us/purchasing-programs/gsa-multiple-award-schedule/schedule-buyers/state-and-local-governments?gsaredirect=stateandlocal>

Public Procurement Practice

SPECIFICATIONS

STANDARD

Specifications define precise requirements of commodities (i.e., goods and services) sought through a solicitation process. To understand the context in which the commodity will be used and with clear knowledge of statutes, regulations, policies, market availability, budget, and the strategic plan of the entity, procurement professionals collaborate with end users to translate a particular need into detailed requirements. Written with an intent to maximize competition, specifications should use language that is relevant to and understood by potential offerors.

Definition

Specification:

A precise description of the physical characteristics, quality, or desired outcomes of a commodity to be procured, which a supplier must be able to produce or deliver to be considered for award of a contract.

There are two types of specifications, Design and Performance.

Element 1: Specifications should be written using attributes of design and performance, as required by the procurement.

A design specification details physical characteristics, materials, and product features, as well as details of the manufacturing methodology for the commodity. A performance specification describes the desired end result or outcome for the commodity.

A specification may incorporate features of both design and performance. Specifications may be viewed on a continuum with pure performance on one end and pure design on the other. Each requirement in a specification falls somewhere on this continuum.

Element 1.1: Design specification

A design specification establishes the characteristics a commodity must possess, including details of how the commodity will be manufactured; engineering plans, drawings, or blueprints may be included. The design specification states in prescriptive terms what the potential offeror must provide to the buyer.

The objective of a design specification is to meet a custom or unique requirement. A design specification is complete and limits the options of the contractor or manufacturer, placing high risk on the buying entity for design errors or omissions within the specification. For example, if the desired outcomes from a solicitation are not achieved, the supplier may argue that any poor performance is due to the design that was specified and not the supplier's assembly.



PRINCIPLES AND
PRACTICES OF
PUBLIC PROCUREMENT

Public Procurement Practice

SPECIFICATIONS

(Cont'd)

Element 1.1.1: Design specifications may include any or all of the following:

- Drawings (e.g., engineering plans, blueprints)
- Dimensions that allow for tolerance levels and ranges
- Definition of terms
- Description of materials for cost determination, process of construction, delivery, and implementation of requirements by supplier
- Minimum requirements
- Detailed test, sample, and inspection methods to ensure compliance with the specification
- Industry standards
- Alternatives that may be considered

Technical specifications are a subset of design specifications, often used when precise shapes, dimensions, close tolerances, and a high degree of manufacturing precision are required (e.g., construction and heavy equipment).

Element 1.1.1a: Advantages of design specifications

- Provide the end user with increased certainty about the commodity
- Allow for objective evaluation of offers
- Award is based on compliance with the specification and made to the lowest responsive offer and responsible offeror

Element 1.1.1b: Disadvantage of design specifications

- Prescriptive, may limit competition
- Increased risk to entity
- Loss of innovation
- Expensive and time consuming to prepare, may require the services of engineers, architects, and other technical resources, as well as multiple levels of review and approval
- Implementation may be expensive and time consuming. The entity is responsible for inspections, testing processes and associated costs, as well as prototype costs

Element 1.2: Performance specification

A performance specification describes the desired outcome or intended use of a commodity and how the commodity will perform (e.g., number of items, distance to travel, time required). Performance metrics¹ are essential to define acceptance testing and successful achievement of outcomes. The metrics may be linked to incentives or disincentives.

Performance specifications:

- Allow offerors to use their expertise, creativity, and innovation to provide a solution. The offeror chooses the method of achieving the outcome.
- Are used when the method and means of achieving the outcome are unknown.
- Place a higher degree of risk on the awarded supplier, who is responsible for achievement of the outcome and will be evaluated based on defined criteria.
- May describe a commodity that will be integrated into existing systems and be interchangeable with parts, services, or other basic elements.

¹ Supply Chain Process Improvement, Inc. (2003-2008). SCOR Metrics. <http://www.scpitem.com/SCOR%20Metrics.htm>

(Cont'd)

Element 1.2a: Advantages of performance specifications

- Provide opportunity for innovation; allow offerors to put forth unique solutions to defined needs
- Allow end user to benefit from the latest products and technologies
- Corrective action may be applied if service levels are not achieved

Element 1.2b: Disadvantages of performance specifications

- Well-defined performance metrics are needed to ensure that the specified performance will achieve the desired outcome
- Require reliable, practical, economical tests of performance
- Evaluations are subjective and require additional time and effort to complete

Performance specifications may include functional; brand name; or brand name or equivalent descriptions.

Element 1.2.1: Functional descriptions

A performance specification may utilize a functional description to define the task or desired result of the commodity. Functional descriptions are commonly used for technology-related commodities, and focus on observations or experiences during system usage (e.g., the program, computer peripherals, or other computers).

Example:

Upon landing on the website home page, the user is prompted to enter their password and confirm their status using Captcha.

Element 1.2.1a: Advantages of functional descriptions

- Well suited for information technology products
- Well suited when the options available in the marketplace are unknown
- Provide clarity to offerors on the desired results from the commodity

Element 1.2.1b: Disadvantages of functional descriptions

- May result in a wide range of offers that are not necessarily comparable
- Take more time and effort to develop and to evaluate

Element 1.2.2: Brand name descriptions

A brand name description is a title, term, symbol, design, or any combination thereof used to describe a product by a unique identifier and its producer. Performance specifications may use brand names to describe the desired output and quality levels of a commodity.

Element 1.2.2a: Advantages of brand name descriptions

- Allow for agency standardization (e.g., fleet standardization for purposes of training and maintenance)
- Meet the expectations of the end user by providing the exact commodity needed
- Reduce the time required to develop the specification



PRINCIPLES AND
PRACTICES OF
PUBLIC PROCUREMENT

Public Procurement Practice

SPECIFICATIONS

(Cont'd)

Element 1.2.2b: Disadvantages of brand name descriptions

- Very restrictive; limit competition
 - Potentially equivalent products are not considered for award; alternative brands would be excluded from consideration
 - May result in increased price
 - May lead to a sole source procurement and create dependency on a specific supplier
- Requires significant justification (e.g., maintenance, compatibility of parts)

Element 1.2.3: Brand name or equivalent descriptions (also referred to as “brand name or equal”)

- A brand name or equivalent description provides one or more manufacturers’ brand names with identifying model numbers. In a performance specification, a brand name or equivalent description states the standards of quality, performance, and characteristics needed to meet the requirements of the end user.² To meet the standard of performance of “or equivalent,” the commodity must be functionally equivalent to the brand name product but not necessarily the same in every detail.³ A checklist may be included for suppliers to identify how their commodity meets or could be modified to meet the specification requirements. When appropriate, the description should include at least two acceptable brand name products.

Example:

Comparable pickup trucks might be the Ford F150, Chevrolet Silverado, Ram 1500, or Toyota Tundra.

Element 1.2.3a: Advantages of brand name or equivalent descriptions

- Aid in communicating the desired quality and performance levels to potential offerors
- Reduce the time required to develop the specifications

² Federal Acquisition Regulation (FAR) 52.211-6 Brand Name or Equal.

As prescribed in FAR 11.107(a), insert the following provision: Brand Name or Equal (Aug 1999)

(a) If an item in this solicitation is identified as “brand name or equal,” the purchase description reflects the characteristics and level of quality that will satisfy the Government’s needs. The salient physical, functional, or performance characteristics that “equal” products must meet are specified in the solicitation.

(b) To be considered for award, offers of “equal” products, including “equal” products of the brand name manufacturer, must-

- (i) Meet the salient physical, functional, or performance characteristic specified in this solicitation;
- (2) Clearly identify the item by-
 - (i) Brand name, if any; and
 - (ii) Make or model number;
- (3) Include descriptive literature such as illustrations, drawings, or a clear reference to previously furnished descriptive data or information available to the Contracting Officer; and
- (4) Clearly describe any modifications the offeror plans to make in a product to make it conform to the solicitation requirements. Mark any descriptive material to clearly show the modifications.

(c) The Contracting Officer will evaluate “equal” products on the basis of information furnished by the offeror or identified in the offer and reasonably available to the Contracting Officer. The Contracting Officer is not responsible for locating or obtaining any information not identified in the offer.

(d) Unless the offeror clearly indicates in its offer that the product being offered is an “equal” product, the offeror shall provide the brand name product referenced in the solicitation.

³ The Court of Claims has specifically rejected the Government defense that it is entitled to get exactly what it specifies. The substitute does not have to comply with every detail of the specification, but only function as well as the specified product. *Aerodex, Inc. v. United States*, 417 F.2d 1361 (Ct.Cl.1969); *Jack Stone Co. v. United States*, 344 F.2d 370 (Ct.Cl.1965). See also *Ocean Elec. Corp., NASA BCA No. 371-8, 73-2 BCA p 10,355*.

(Cont'd)

Element 1.2.3b: Disadvantages of brand name or equivalent descriptions

- Considered to be restrictive
- Require justification
- May deter competition, which may increase price
- Must define criteria to determine responsiveness to “or equivalent”
- Risk of litigation by brand name manufacturer
- Brand name must be well known throughout a particular industry

Element 2: When procuring commodities, procurement professionals must provide the needed context to achieve the expected and desired outcomes of the end user.

Context refers to how the commodity will be used and conform to an existing environment. Providing context should result in:

- Specification requirements that will accurately define, represent, and fully express end user needs.
- Potential offerors who can provide responsive solutions.
- Full and open competition, which allows for unbiased decision-making.
- The ability of the purchasing entity to monitor the procurement and achieve the desired end results.

Element 3: Specifications should be written clearly, concisely, consistently, and precisely, using plain language.

Well-written specifications allow potential suppliers to easily read and understand the requirements. Well-written specifications encourage suppliers to make offers, thereby maximizing competition and increasing the likelihood of receiving a commodity that achieves the objectives of the procurement.

- Use language that is consistent, concise, plain, and precise.
 - Avoid ambiguous language
 - Choose simple words over complex ones
 - Avoid use of acronyms and clichés
- Use proper grammar and punctuation.
- Use consistent style and formatting.
- Categorize or group similar items for ease of readability.
- Organize specification content with a consistent numbering system.
- Maximize full and open competition.
 - Provide allowable variation in measurement or other characteristics of the commodity
 - Avoid suggestions of bias
- Ensure specifications are current and relevant.
- Identify physical, functional, environmental, and quality characteristics of the commodity (e.g., design, size, weight, power capacity, output, grade).
- Identify minimum requirements.
- State the required/optional outcomes.
- Clearly convey to potential offerors and other relevant stakeholders the application or intended use of the commodity.
- Identify acceptable commercial standards (e.g., Underwriters Laboratory (UL), Military Specifications (MILSPEC), National Electrical Manufacturers Association (NEMA), International Organization for Standardization (ISO), British Pharmacopoeia (BPUK), United States Pharmacopoeia (USP)).
- Include acceptance criteria.
- Detail how the commodity will be tested or evaluated for conformance.



PRINCIPLES AND
PRACTICES OF
PUBLIC PROCUREMENT

Public Procurement Practice

SPECIFICATIONS

(Cont'd)

- Provide reproducible test methods.
- Include performance metrics for assessing the achievement of performance outcomes.
- Include a mechanism allowing for specification revision during the course of the contract.
- If using a brand name or equivalent, cite the specific brand name of the manufacturer to establish the standards of quality and required performance.
 - Include details on how the comparison of an “equivalent” or better is to be manufactured
 - When possible, specify at least two acceptable brand name products

Poorly written specifications may result in:

- Less competition; potential offerors may choose not to submit offers.
- A commodity that does not meet expectations.
- Additional costs due to subsequent changes made to the specification.
- Poor relationships with the supplier, end user, and others involved.
- Inappropriate contract awards and potential unfair competitive advantages.
- Protests.

Avoid the following when writing specifications:

- Conjunctions (e.g., and, or, also, with)
- Escape clauses (e.g., if, when, but, except, unless, although)
- Mixing different types of requirements (e.g., combining system, business, and design requirements in the same section of a specification)
- Run-on sentences
- Speculative language (e.g., usually, generally, often, normally, and typically)
- Unverifiable or vague terms (e.g., flexible, proper, suitable, reasonable, appropriately, user-friendly, approximately, as possible)
- Absolute terminology (e.g., 100% safe, totally reliable, runs on all platforms, functioning 100% of time, fully compatible)
- Ambiguous punctuation (e.g., use of slash “/”)
- Assumptions
- Over or understating the desired quality, output, or function

Steps for developing specifications

1. Meet with end users, clients, other stakeholders, and the evaluation committee to understand needs.
2. Seek external assistance, when needed, to provide expertise to clearly and correctly state what is required in terms of capability and capacity.
3. Conduct thorough research of market and trends.
4. Understand the capability and capacity of the supply chain, as well as potential influences (e.g., energy availability, storage for contaminated material).
5. Choose the type of specification based on the identified needs.
6. Conduct analyses (e.g. life cycle cost (LCC), value analysis, value engineering, best value).
7. Clearly identify the supplier’s obligations (e.g., risk and responsibility) according to the type of specification chosen.
8. Explain, clarify, and define all compliance obligations.
9. Include essential characteristics and a clear statement of intended use.
10. Include a clear and consistent methodology for determining if all the requirements have been met by offerors.
11. Ensure there is an internal review process by members of the solicitation team to help identify inconsistencies and ambiguities.

Specification Checklist

Consider the following list when developing specifications, only including the items that are applicable and relevant to the commodity being procured, as well as the chosen specification type.

- Intended use/purpose
- Detailed good/service requirements
- Performance requirements
- Traceability
- Inspections - Acceptance
- Compliance (e.g., safety, environmental, industry standards)
- Any restrictions that a local agency might impose
- Delivery locations
- Installation
- Available facilities and utilities
- Entity-provided items or services
- Guarantees/Warranty
- Training requirements
- Delivery/Completion
- Quantity
- Key deliverables
- Responsibilities
- Packaging
- Quality control
- Contract transition
- Services provided by third parties

Background

This public procurement practice provides entities with guidelines that should be considered when preparing specifications for solicitations and contract documents. Since the specifications will be read and interpreted by multiple persons of various skill levels and backgrounds, specifications must be written in a manner that minimizes multiple interpretations and gives all parties a clear understanding of what is to be produced or delivered.

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Public Procurement Practice

PRACTICAL GUIDANCE FOR DISTINGUISHING BETWEEN
SCOPE OF WORK AND STATEMENT OF WORK

14.9.D

PRINCIPLES AND
PRACTICES OF
PUBLIC PROCUREMENT

INTRODUCTION

Historically, the terms **scope of work** and **statement of work** have been used interchangeably, inconsistently, or in contradictory ways. Some entities have specifically defined these terms for their own usage. As a result, definitions that form the basis for discussions and clear, more universal guidance must be established. This practice provides those definitions, distinguishes between the two terms, and sets a standard for how these terms are used in the professional language of public procurement.

STANDARD

The **scope of work** is prepared at the beginning of any procurement and becomes the basis for any resulting solicitation. A well-written scope of work provides the supplier with a clear understanding of entity needs to ensure a successful procurement. In addition, a well-written scope of work contributes to an entity's reputation and credibility for performing due diligence and acting with impartiality.

The **statement of work** becomes the basis of a contract. A well-written statement of work in the contract captures the agreement between the entity and supplier, and may mitigate or avoid disputes.

Definition: Scope of Work

A scope of work is developed at the beginning of the procurement cycle and is a written description of the entity's needs and desired outcomes for the procurement and becomes the basis for any resulting solicitation. The scope of work helps to ensure that the product or service meets the stated outcome and establishes the parameters of the resulting contract.

A scope of work must provide sufficient information for the supplier to:

- Determine whether the solicitation aligns with the supplier's business.
- Decide whether responding to the solicitation is profitable and worth the effort.
- Determine whether the supplier is responsible and can submit a responsive offer.

Element 1: The scope of work identifies the entity needs and desired outcomes and is directed to potential suppliers.

The procurement professional collaborates with stakeholders to write, revise, and refine the scope of work. As procurement planning progresses, market research is conducted to better define the needs and desired outcomes and to identify the availability of suppliers in the marketplace.



Public Procurement Practice

PRACTICAL GUIDANCE FOR DISTINGUISHING BETWEEN SCOPE OF WORK AND STATEMENT OF WORK

(Cont'd)

The entity will determine the content, format, and detail of the scope of work depending on the:

- Knowledge of the relevant industry and essential qualities and features of the good or service.
- Availability of what is in the marketplace.
- Ability and willingness to include flexibility in the specification to allow the supplier to use creativity and innovation in the proposal.
- Entity's tolerance for risk.
- Budget for the project.

Element 2: Development of the scope of work will help determine the most appropriate procurement method.

The procurement professional must consider the scope of work in relation to available sources internally and in the current market environment. The procurement professional will select the best source to meet the need and, if a procurement is necessary, decide which method (e.g., non-competitive or open, competitive procurement) to use. The scope of work for a competitive procurement will determine whether the solicitation evaluation criteria will be based solely on price or on price and other criteria.

Regardless of the procurement method, the scope of work must:

- Identify the needs and desired outcomes in one section of the solicitation.
- Allow potential suppliers to understand and respond to the entity's needs.
- Use clear and concise language.
- Avoid overly restrictive specifications.
- Group together similar requirements (technology, reporting, billing).
- Use consistent formatting.

Revisions to the scope of work

The scope of work may change as a result of the chosen procurement method. If the procurement method does not involve negotiation, the scope of work remains unchanged as stated in the solicitation, unless addenda are issued to modify the scope of work and/or the specifications during the solicitation process. With a procurement method that involves negotiation, the scope of work and other terms and conditions of the contract may be discussed. A best value procurement method may revise the scope of work in response to proposer feedback.

The solicitation should include general questions that elicit responses from proposers that may cause revisions to the scope of work. The proposer may be asked to:

- Critique the scope of work described in the solicitation (e.g., what works, what deletions, changes, or options for achieving desired outcomes does the proposer recommend).
- Describe the key issues required to achieve success specific to the project and the best approach to address key issues.
- Provide detailed alternatives that impact quality, time, price, and deliverables.

(Cont'd)

Definition: Statement of Work

The statement of work is a written description in the contract detailing performance expectations and deliverables between the contracting parties. After a supplier has been selected, the statement of work becomes the basis for the contract and must provide sufficient information to:

- Meet the entity's needs and achieve successful outcomes.
- Describe and define the expectations of the parties.
- Set price and payment schedules.
- Mitigate or avoid disputes.

Element 3: The statement of work is shaped by the agreement of the contract parties and is dependent upon the selected procurement method.

The statement of work describes the who, what, when, where, why, how, and price and payment schedule components of the contract.

- Who will perform the tasks
- The agreed-upon tasks, including measurable level of effort; what tools and materials are needed; and deliverables or acceptance criteria
- The schedule for completing those tasks or deliverables
- The location for the performance or delivery of the good or service
- The purpose, goals, and objectives for the project and functions as the preamble to the contract
- The process for making decisions and accomplishing the stated purpose, goals, and objectives
- Price and payment schedule: The price for the work and the payment schedule type, which could be defined at the task level, milestone level, or at the project level

Negotiation considerations

Typically, there is no negotiation when a bidder submits a bid in response to an Invitation for Bids (IFB). The entity will either reject the bid or, if accepted, will combine the bid and the scope of work to form the statement of work and finalize the contract.

Negotiation may be conducted in response to a Request for Proposals (RFP) or similar method such as a Request for Qualifications (RFQu) or Qualifications-Based Selection (QBS). The selected proposal becomes a reference for the eventual statement of work. The negotiations will further define the components mentioned previously, transforming the scope of work into the statement of work.

The statement of work should explicitly state the expectations of the parties and restate the requirements and deliverables from the scope of work and specifications, including any addenda.

Contract format

Clause titles within the contract may vary according to what the parties find most useful. The statement of work may include labeled sections that list and describe:

- Contract management responsibilities for the parties.
- Contract tasks and deliverable products.
- Inspection and acceptance criteria for deliverables.
- Delivery schedules.
- Information related to determining prices and costs.



PRINCIPLES AND
PRACTICES OF
PUBLIC PROCUREMENT



Public Procurement Practice

PRACTICAL GUIDANCE FOR DISTINGUISHING BETWEEN SCOPE OF WORK AND STATEMENT OF WORK

(Cont'd)

- Communication of expectations and level of reporting and monitoring.
- Decisions to be made by the entity and decisions that may be delegated to the supplier.
- Final tasks (e.g., punch list, walk-through), timeline, schedule, price, and costs.
- Close-out requirements (e.g., final presentations, documentation).

The statement of work may also incorporate exhibits and attachments (e.g., pipe schedules, safety and security standards, technology standards, implementation or testing plan, Federal E-Verify requirements for public works) related to:

- Industry specifications and standards.
- Government specifications and standards.

Element 4: The content, format, and detail of the statement of work will vary depending on the detail of the scope of work.

The degree of detail and flexibility in a statement of work depends on how general or specific the scope of work was written. A statement of work for a contract with performance specifications may be less prescriptive about process and more focused on outcomes and deliverables. A statement of work for a contract with design specifications may be more prescriptive and include detailed tasks, deliverables, schedule, standards, expectations, limitations, and industry requirements (security standards, inspections, testing).

Content, format, and detail of the statement of work will vary according to different factors and may include:

- The degree to which the scope of work is descriptive and open to creative solutions.
- The proposal and its range of known alternative approaches as well as the supplier's recommended approach.
- The desired roles and responsibilities of the parties. If the entity is more involved in the work process, less prescriptive detail in the statement of work may be appropriate.
- The expertise of the parties. The supplier may be able to function as a self-contained expert, while at other times, the entity may hold much of the necessary expertise.
- The degree of risk involved in solving the need and the amount of risk each party will accept.

Reviewing the statement of work within the context of the entire contract ensures that both parties agree to all expectations, requirements, and deliverables, and all contract terms and conditions are appropriate to and consistent with the statement of work. A contract with a less detailed statement of work with more risk may include other contract conditions to offset the risk. If the statement of work involves use or creation of intellectual property, the contract must include provisions relating to use and ownership of intellectual property. If the definition of later project steps depends on what is discovered during earlier steps, the contract must describe the decisions and authorizations needed for the project to proceed.

Contract drafters and reviewers must carefully choose the legal order of precedence between the statement of work and all other sections of the contract, including any documents incorporated by reference.

Conclusion

The terms Scope of Work and Statement of Work indicate the solicitation and contract phase of the public procurement process, respectively. This practice effectively defines the two terms and outlines their significance in each phase.

FEDERAL GRANT COMPLIANCE

Exhibit 14.15.F

The following provisions are required and apply when federal funds are expended by Collin College for any contract resulting from this procurement process. The Collin College is the subgrantee or subrecipient by definition.

In addition to other provisions required by the federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, is applicable.

- (A) Contracts for more than the simplified acquisition threshold currently set at \$150,000 which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide such sanctions and penalties as appropriate.**

Pursuant to Federal Rules (A) above, when federal funds are expended by Collin College, Collin College reserves all rights and privileges under applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor

- (B) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)**

Pursuant to Federal Rules (B) above, when federal funds are expended by Collin College, Collin College reserves all rights and to immediately terminate any agreement in excess of \$10,000 resulting from this procurement process in the event of a breach or default of the agreement by Vendor, in the event vendors fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. Collin College also reserves the right to terminate the contract immediately, with written notice to vendor, for convenience, if Collin College believes, in its sole discretion that it is in the best interest of Collin College to do so. The vendor will be compensated for work performed and accepted and goods accepted by Collin College as of the termination date if the contract is terminated for convenience of Collin College. Any award under this procurement process is not exclusive and Collin College reserves the right to purchase goods and services from other vendors when it is in the best interest of Collin College.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor

- (F) Rights to Inventions Made Under a Contract Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement,"; the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.**

Pursuant to Federal Rule (F) above, when federal funds are expended by Collin College, the vendor certifies that during the term of an award for all contracts by Collin College resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor

- (G) **Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).**

Pursuant to Federal Rule (G) above, when federal funds are expended by Collin College, the vendor certifies that during the term of an award for all contracts by Collin College resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor

- (H) **Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the system for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p.235), “Debarment and Suspension”. SAM exclusions contain the names of parties debarred, suspended or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.**

Pursuant to Federal Rule (H) above, when federal funds are expended by Collin College, the vendor certifies that during the term of an award for all contracts by Collin College resulting from this procurement process, the vendor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor

- (I) **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) – Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certified to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that take place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.**

Pursuant to Federal Rule (I) above, when federal funds are expended by Collin College, the vendor certifies that during the term and after the awarded term of an award for all contracts by Collin College resulting from this procurement process, the vendor certifies that it complies with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:

- (1) No Federal appropriated funds have been paid or will be paid for on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Stand Form-LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds to all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR
WITH FEDERAL FUNDS – 2 CFR § 200.333**

When federal funds are expended by Collin College for any contract resulting from this procurement process, the vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The vendor further certifies that vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor _____

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND
CONSERVATION ACT**

When federal funds are expended by Collin College for any contract resulting from this procurement process, the vendor certifies that it will comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6321, et seq.; 49 C.F.R. Part 18; Pub. L. 94-163, 89 Stat. 871).

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor _____

CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS

Vendor certifies that vendor is in compliance with all applicable provisions of the Buy America Act. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor _____

CERTIFICATION OF NON-COLLUSION STATEMENT

Vendor certifies under penalty of perjury that its response to this procurement solicitation is in all respects bona fide, fair, and made without collusion or fraud with any person, joint venture, partnership, corporation or other business or legal entity.

Does vendor agree? YES _____ Initials of Authorized Representative of Vendor _____

Vendor agrees to comply with all federal, state, and local laws, rules, regulations and ordinances, as applicable. It is further acknowledged that vendor certifies compliance with all provisions, laws, acts, regulations, etc. as specifically noted above.

Company Name: _____
Address: _____
City: _____ State: _____ Zip: _____ Phone _____ Number: _____
Fax #: _____
Email Address: _____
Printed Name of Authorized Representative: _____
Signature of Authorized Representative: _____ Date: _____