



FEDERAL PROJECT MANAGEMENT POLICY & PROCEDURES

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Federal Cash Management

The Town of Carlisle maintains the following procedures for cash management:

All federal contracts the Town of Carlisle enters into (directly or indirectly) must include the following and be retained in a Contract Binder in the Finance office:

1. Requirements for subawards if allowed;
2. Requirements for cost analysis, match requirements, record keeping and billing procedures;
3. Specifics for suspension or extension options of contract; and
4. Any and all appropriate federal requirements and regulations that pertain to the award.

All grants and projects setup within the accounting software include:

- CFDA title and number
- Federal award identification number and year
- Name of Federal Agency
- Name of pass-through entity, if any

All federal requirements pertaining to the specific contract and award shall be followed. Reimbursement request for costs previously incurred shall follow stated guidelines and rules within the contract or award. The Town of Carlisle shall monitor each contract's costs and expenditures closely to ensure that they do not go over budget and that the cash is available for spending. All efforts shall be taken to avoid spending monies that are unavailable or incurring costs not expected to be reimbursed.

Responsibility for determining how required match amounts or limits for matching, levels of effort, or earmarking will be secured, are those of the department head and accomplished in the preparation and collaboration of contract proposal and preparation with said federal agency or agencies.

Methods of valuing matching requirements and in-kind contributions of property and/or services, calculations of effort, etc. are maintained by the department head and overseen by the Town Administrator in the management of the contract over the duration of the contract. These methods are to be based on federal requirements specific to that award as stated in the award contract or based on accepted federal policies for that program. Day-to-day accounting of match, level of effort, or earmarking are monitored and documented by the Finance office during the course of the awarded contract.

Subcontracts between the Town of Carlisle and another entity will be established consistent with federal requirements governing the award. Payments are processed on a bi-weekly basis and invoices must be received by the Town of Carlisle in accordance with the annual warrant schedule to be included in the upcoming billing cycle, unless otherwise specified in the contract with the sub-grantee. Unless explicitly forbidden by the granting agency the Town of Carlisle is

not obliged to make a payment disbursement under a sub-agreement for grant funds which are not first made available by the federal granting agency.

The Town of Carlisle uses the following federal requirements in establishing its procedures for administering all awards for federally funded program agreements:

- OMB Uniform Guidance, Subpart E (Cost Principles)

Additionally, the allow-ability of costs is further determined by any additional federal requirements pertaining to the specific contract and award.

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

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Equipment Purchase and Disposition

The Finance office shall maintain all records for acquisitions and disposition of property acquired with federal awards by retaining purchase receipts and confirmation of purchase and attaching them to expense vouchers for review and approval. Such documentation is to be maintained for equipment with a useful life greater than one-year and acquisition cost equal to or greater than \$10,000.

Backup documentation will be retained in an inventory folder in the locked file cabinet.

The Town of Carlisle will maintain and record equipment purchases on a spreadsheet showing date of purchase, model, status and location of equipment, and price and contract award information.

Property tags are placed on each item that corresponds with the spreadsheet.

Physical inventories of equipment are performed once every two years.

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

Support contracts and warranty paperwork items will be filed with the Finance office and the Town Administrator, as applicable.

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

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

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

Reference Quick Links for More Information:

- [2 CFR §200.303 Internal Controls](#)
- [2 CFR §200.327 Financial reporting](#)
- [2 CFR §200.328 Monitoring and reporting program performance](#)
- [2 CFR §200.305 Payment](#)
- [Subpart E—Cost Principles of 2 CFR §200](#)

Procedures for Determining Allowable Costs

All costs incurred are reviewed monthly to determine that the cost is an allowable cost under the federal award. (200.403)

All costs must:

- Be necessary and reasonable
- Be consistent with policies and procedures that apply to both federal and nonfederal funding
- Be consistent with treatment
- Be adequately documented
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period

<i>Selected Cost Item</i>	<i>Uniform Guidance General Reference</i>	<i>Allowable/Unallowable</i>
Advertising and public relations costs	§200.421	Allowable with restrictions
Advisory councils	§200.422	Allowable with restrictions
Alcoholic beverages	§200.423	Unallowable
Audit services	§200.425	Allowable with restrictions
Compensation – fringe benefits	§200.431	Allowable with restrictions
Conferences	§200.432	Allowable with restrictions
Depreciation	§200.436	Allowable with qualifications
Employee health and welfare costs	§200.437	Allowable with restrictions
Entertainment costs	§200.438	Unallowable with exceptions
Equipment and other capital expenditures	§200.439	based on specific requirements
Fines, penalties, damages and other settlements	§200.441	Unallowable with exception

<i>Selected Cost Item</i>	<i>Uniform Guidance General Reference</i>	<i>Allowable/Unallowable</i>
Gains and losses on disposition of depreciable assets	§200.443	Allowable with restrictions
Goods or services for personal use	§200.445	Unallowable (goods/services); allowable (housing) with restrictions
Insurance and indemnification	§200.447	Allowable with restrictions
Interest	§200.449	Allowable with restrictions
Lobbying	§200.450	Unallowable
Losses on other awards or contracts	§200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	§200.452	Allowable with restrictions
Materials and supplies costs, including computing devices	§200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	§200.454	Allowable with restrictions; unallowable for lobbying organizations.
Organization costs	§200.455	Unallowable except Federal prior approval
Plant and security costs	§200.457	Allowable; capital expenditures are subject to §200.439
Professional service costs	§200.459	Allowable with restrictions
Proposal costs	§200.460	Allowable with restrictions
Publication and printing costs	§200.461	Allowable with restrictions
Recruiting costs	§200.463	Allowable with restrictions
Rental costs of real property and equipment	§200.465	Allowable with restrictions
Selling and marketing costs	§200.467	Unallowable with exceptions
Training and education costs	§200.472	Allowable for employee development
Transportation costs	§200.473	Allowable with restrictions
Travel costs	§200.474	Allowable with restrictions

Subrecipient Monitoring and Management

The Town of Carlisle must determine whether the recipient of each sub-agreement it makes is a “contractor” or “subrecipient” for the disbursement of Federal funds. In making such a determination, Town of Carlisle will utilize the following definitions: §200.23 Contractor and §200.93 Subrecipient along with the guidance found in §200.330. Generally, “subrecipients” are instrumental in implementing the applicable work program whereas a “contractor” provides goods and services for the Town of Carlisle’s own use. Contractors will be subject to the Town of Carlisle’s Procurement Policies. Subrecipients are subject to the Town of Carlisle’s Subrecipient Monitoring and Management Policies.

The Town of Carlisle in its administration of Federal funds will monitor any subrecipients in accordance with 2 CFR §200.330 to §200.332 Subrecipient Monitoring and Management.

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

Subaward Contents and Communication

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

1. Every subaward will be clearly identified and include the following Federal award identification:
 - a. Subrecipient name
 - b. Subrecipient’s unique ID number (DUNS)
 - c. Federal Award ID Number (FAIN)
 - d. Federal award date
 - e. Period of performance start and end date
 - f. Amount of federal funds obligated
 - g. Amount of federal funds obligated to the subrecipient
 - h. Total amount of Federal award
 - i. Total approved cost sharing or match required where applicable
 - j. Project description responsive to FFATA
 - k. Name of Federal awarding agency, pass through entity and contact information
 - l. CFDA number and name
 - m. Identification of the award is R&D
 - n. Indirect cost rate for the Federal award
2. Requirements imposed by the Town of Carlisle including statutes, regulations, and the terms and conditions of the Federal award.
3. Any additional requirements the Town of Carlisle deems necessary for financial or performance reporting of subrecipients as necessary.

4. An approved indirect cost rate negotiated between subrecipient and the Federal government or between the pass-through entity and subrecipient.
5. Requirements that the Town of Carlisle and its auditors have access to the subrecipient records and financial statements.
6. Terms and conditions for closeout of the subaward.

Subrecipient Monitoring Procedures

All Town of Carlisle project managers are responsible for subrecipient monitoring under the supervision of the Town Administrator. The Town of Carlisle will monitor the activities of the subrecipient to ensure the subaward is used for authorized purposes. The frequency of monitoring review will be specified in the subaward and conducted concurrently with all invoice submission.

Subrecipient monitoring procedures include:

- At the time of proposal, assess the potential of the subrecipient for programmatic, financial, and administrative suitability.
- Evaluate each subrecipient's risk of noncompliance prior to executing a subaward. In doing so, the Town of Carlisle will assess the subrecipient's:
 - Prior experience with the same or similar subawards.
 - Results of previous audits and single audit (if applicable).
 - New personnel or new or substantially changed systems.
 - The extent and results of Federal awarding agency monitoring.
- Confirm the statement of work and review any non-standard terms and conditions of the subaward during the negotiation process.
- Monitor financial and programmatic progress and ability of the subrecipient to meet objectives of the subaward. To facilitate this review, subrecipients are required to submit sufficient invoice detail and a progress report. Town of Carlisle project managers will encourage subrecipients to submit regular invoices.
- Invoices and progress reports will be date stamped upon receipt if received in hard copy. A record of the date of receipt will be maintained for those invoices sent electronically.
- In conducting regular oversight and monitoring, Town of Carlisle project managers' will:
 - Verify invoices include progress reports.
 - Review progress reports to ensure project is progressing appropriately and on schedule.
 - Compare invoice to agreement budget to ensure eligibility of costs and that costs do not exceed budget.
 - Review invoice to ensure supporting documentation is included and invoices costs are within the scope of work for the projects being invoiced.

- Obtain report, certification and supporting documentation of local (non-federal)/in-kind match work from the subrecipient.
 - Review subrecipient match tasks for eligibility.
 - Initial the progress report and invoice confirming review and approval prior to payment.
 - Raise any concerns to the Town Administrator.
- The Town Administrator, upon recommendation from the Project Manager, will approve invoice payment and will initial invoices confirming review and approval prior to payment.
 - Payments will be withheld from subrecipients for the following reasons:
 - Insufficient detail to support the costs billed;
 - Unallowable costs;
 - Ineligible costs; and/or
 - Incomplete work or work not completed in accordance with required specifications.
 - Verify every subrecipient is audited in accordance with 2 CFR §200 Subpart F – Audit Requirements

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

- Project proposal
- Project scope
- Progress reports
- Interim and final products
- Copies of other applicable project documents as required, such as copies of contracts or MOUs

Audit Requirements

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

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

Methodology for Resolving Findings

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

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

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

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Procurement Policies

The following Procurement Policies shall apply to all Contracts for and Purchases of goods and services.

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

The Town Administrator has primary responsibility and oversight for purchasing activities of Town of Carlisle and has the authority to delegate purchasing responsibilities as appropriate. The Town Administrator will periodically review and evaluate these procedures to ensure the best internal controls possible.

All purchases shall comply with appropriate and relevant federal, state and local laws as well as with Town of Carlisle's policies. In the event that federal, state or local laws, regulations, grants or requirements are more restrictive than this policy, such laws, regulations, grants or requirements shall be followed.

Procurement Standards

To ensure open and free competition:

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

Purchase Types and Proposal Evaluation Requirements:

- Micro Purchase (threshold based on UG & MGL requirements): competition is not required, however, a good faith effort should be made to compare prices with comparable suppliers.
- Small Purchase (threshold based on UG & MGL requirements): competition is required to establish a competitive price. Preferably, price or rate quotes from at least three qualified sources must be documented. If three price or rate quotes are not possible, document attempts. For recurring expenses, price or rate quotes may be obtained and documented every two to three years. This can be through a formal RFP process or

requesting quotes from potential vendors. When a competitive proposal method is not feasible for a small purchase, a sole source purchase may be made. This would require either the item or service is only available from a single source, an emergency situation that does not allow additional time for a competitive process, the granting agency authorizes noncompetitive negotiations, or competition is deemed inadequate after solicitation of a number of sources.

- Competitive Proposals (threshold based on UG & MGL requirements): Competitive proposals are required through a sealed bid process. All qualified sources must submit formal written bids, proposals or qualifications. RFPs or RFQs may be used. If only one proposal is received, the procurement may qualify as a single source and would require review by the Town Administrator. documentation must include:
 - Formal written bids, proposals, or qualifications from all qualified sources.
 - The method of procurement.
 - The evaluation and selection process.
 - The basis for the contract price.
 - Final labor, overhead rates.

Requirements for Requests for Proposals/Qualifications

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

Procurement Process

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

Contracts

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

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

Regarding contract texts, all contracts shall include:

- Termination clause for cause or convenience if over \$10,000
- Remedies for breach of contract if over \$50,000
- Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) certification for contracts exceeding \$100,000

Legal counsel review may be required for contracts not using the Town of Carlisle boiler plate contract template.

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

A contract will not be executed with parties listed on the government wide exclusions in the System for Award Management (SAM). Additionally, contractors will be required to submit

annual audits to the Town of Carlisle to ensure the contractor has complied with good accounting practices and federal regulations.

Protest Procedure

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

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

Contract Oversight

The Town of Carlisle project managers will be responsible for day-to-day contract administration and will report any aberrations to the Town Administrator.

The Town of Carlisle will ensure that contractors meet their responsibilities by making certain that contracts:

- know and understand applicable federal requirements.
- have adequate project delivery systems.
- have sufficient accounting controls to manage Federal funds properly.

The Town of Carlisle will provide adequate monitoring of the contracts administrative actions to assure compliance with Federal and/or agreement requirements.

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

Conflicts of Interest

No employee, commissioner or agent of the Town of Carlisle shall participate in the selection, award or administration of a contract or authorization of a purchase if a conflict of interest, real or perceived, would be involved.

Such a conflict could arise when:

- The employee, officer or agent,
- Any member of their immediate family,
- Their partner, or
- An organization which employs or is about to employ any of the above

...has:

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