

Form 6600 with Sample Language

Accounting/Financial Management

1. Who in your organization is responsible for reviewing, approving, and signing EPA assistance agreement applications, awards, and amendments?

Oversight and Approval of Federal Assistance Agreements

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed and approved by the _____ via the Organization's internal review process to ensure the program goals are appropriate and the proposed budget includes all appropriate costs. All appropriate costs include the funding source providing its fair share of **(Organization Name)**'s administrative, management, and other organization-wide costs. Final proposals shall be reviewed and approved in writing by the Board of Directors, unless directed otherwise by the Board. For each federal award, an employee within the department responsible for administering the award will be designated as "grant manager."

2. Who in your organization is responsible for monitoring, administering, and overseeing assistance agreements once received from EPA? Please list names and titles.

When a grant is received or renewed, a copy of the executed or amended grant agreement must be forwarded to the _____ (ex. Grant Manager). The Grant Manager will set up a permanent file for the grant and maintain the contract along with other financial correspondence regarding the grant. The grant file will document major actions from the award of the grant through its closeout (i.e., award documents; fiscal information including Federal Financial Reports, procurement documentation, payment requests, etc.; pre-award documentation including application, contracting process, intergovernmental review, etc.; post-award documentation including deliverables, progress reports, and correspondence with funder; and closeout documents). Each grant manager shall attend a training on grant management prior to beginning his or her role as a grant manager (or as early in their functioning as a grant manager as practical). Thereafter, all grant managers shall attend refresher/update courses on grant management as needed.

3. Does your organization have a written accounting manual or written policies and procedures for managing finances?

Purpose

This manual has been prepared to document the internal accounting procedures for **(Organization Name)**. Its purpose is to ensure that assets are safeguarded, financial statements are in conformity with generally accepted accounting principles (GAAP), and finances are managed with responsible

stewardship. The organization has made every effort to ensure that the procedures in this manual follow all federal, state, and local laws and regulations. In the event that a federal, state, or local regulation conflicts with any provision contained in this manual, the appropriate law or regulation shall prevail, and the provision deemed amended to the extent necessary to comply with the applicable law or regulation.

4. Does your organization's accounting and financial management system(s) follow Generally Accepted Accounting Principles (GAAP)?

See response to Question #3

5. Does your organization's financial management system track revenues and expenditures and provide financial results separately for each EPA assistance agreement project or program?

(Organization Name)'s financial management system tracks revenues and expenditures and provides financial results separately for each assistance agreement project. Each funding source and application of funds is identified and maintained with records that show obligations, unobligated balances, assets, outlays, income, and interest (when applicable). This information is tracked through our software system (QuickBooks) and supporting Microsoft Excel spreadsheets (for any information that cannot be tracked in QuickBooks.)

6. Does your financial management system identify the source and application of funds with records that show obligations, unobligated balances, assets, outlays, income and interest?

(Organization Name) employs a system of codes to ensure an accounting structure that provides accurate and complete information about all financial transactions. When (Organization Name) is awarded a new grant or contract, the _____ (ex. Grants Administrator) coordinates with project staff to ensure an appropriate code is developed that will ultimately serve as the internal identifier for that grant or contract in our financial systems.

All transactions are linked to two codes – one code that declares the reason for the transaction (i.e., the grant or contract, plus a sub-project under a grant or contract where appropriate, referred to as a sub-code, associated with the transaction), and a second code that declares the type of transaction (i.e., salaries, project supplies, travel, etc.). By delineating a reason for the transaction, an associated grant or contract is identified, which ultimately traces the cost to the source of funds.

7. Does your financial management system report and allow a comparison of outlays to budgeted amounts for each assistance agreement award?

The financial management system reports and allows a comparison of outlays to budgeted amounts for each assistance agreement award. **(Organization Name)** records grant receivable and income as it is earned and billed during the grant year. The _____ is responsible for monitoring budget-to-actual expenditures throughout the grant year. Accounting and program staff meet monthly to discuss grant fiscal results and any action needed to be taken.

8. Does your organization maintain source documentation to support entries into your financial or accounting system?

(Organization Name) maintains records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be fully supported by source documentation. A source document is the original document that contains the details of a business transaction. A source document captures the key information about a transaction, such as the names of the parties involved, amounts paid, the date, and the substance of the transaction.

Examples of source documents are:

- Invoices
- Receipts
- Check stubs
- Bank statements

9. Does your organization have written procedures for drawing funds and issuing payments including:

- **Who is authorized to request payment from the Federal government and EPA?**
- **What procedures are used to verify that the requests and payments are accurate?**
- **What support documents are required for the draw of funds or for making payments?**
- **When drawdown of funds will occur?**
- **Minimizing the time elapsed between receiving federal funds and disbursing them?**

If yes, please provide a copy of the procedures for review.

Procedure for Drawing Funds and Advanced Payments

The organization draws down federal funds **approximately once a month** unless the federal granting agency requires another way of accessing their funds. The draw down process is performed by the _____ (ex. Deputy Director). For federal grants and contracts, funds are drawn down on a reimbursement basis (i.e., federal funds are not drawn down until they have been spent). The organization complies with federal provisions for minimizing the time elapsing between the drawdown of funds and disbursement by operating its federal grant awards on a reimbursement basis.

Prior to conducting the drawdown, a report is generated in excel to show a comparison of revenues to expenses to date for each federal grant. The Deputy Director will conduct an analysis of budget to actual expenses and a summary of funds drawn to date prior to drawing down funds. The analysis spreadsheet is organized by individual grant index, granting agency and the grand total of all federal grant funds to be drawn down. Federal grant funds are received from each granting agency via wire transfer. The Deputy Director is authorized to request payments from the Federal government for grant awards from the federal website. The Deputy Director prepares reimbursement requests/invoices and supporting documentation in accordance with the associated grant and contract requirements, ensuring that all expenses submitted for reimbursement are reasonable, allowable, allocable, and accurate. The Executive Director is copied on all invoices and payment requests and verifies that the requests and payments requests are accurate. Supporting documents are required for the draw of funds and for issuing payments. Supporting documentation for expenses include staff timesheets, receipts, and mileage and expense reimbursement forms with associated approvals. After the drawdown request has been finalized, the completed analysis is used to allocate the funds when they arrive. The accountant creates a journal voucher based on the spreadsheet analysis sent by the Deputy Director. The journal voucher is electronically approved by the Deputy Director, to ensure that the amount loaded into each federal grant equals the requested draw down amount.

10. Does your organization have written procedures to ensure that costs charged to EPA grants are reasonable, allocable, allowable and that financial reports are issued as required?

(Organization Name) ensures that costs charged to grants are reasonable, allocable, allowable. *The organization follows the Cost Principles of Subpart E CFR [\\$200.400](#) with allocation and allowability in subsections 403; 404; 405; 408; and 410.*

Factors Affecting Allowability of Costs ([\\$ 200.403](#))

Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards:

1. *Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.*
2. *Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.*
3. *Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.*
4. *Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.*
5. *Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.*
6. *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. See also § 200.306(b).*
7. *Be adequately documented. See also §§ 200.300 through 200.309 of this part.*
8. *Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).*

Reasonable Costs (§ 200.404)

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:

1. *Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.*
2. *The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws, and regulations; and terms and conditions of the Federal award.*
3. *Market prices for comparable goods or services for the geographic area.*
4. *Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.*
5. *Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.*

Allocable Costs (§ 200.405)

A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- 1. Is incurred specifically for the Federal award.*
- 2. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and*
- 3. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.*

Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons.

11. Does your organization have procedures for receiving and depositing advanced payments or other EPA funds into an interest-bearing account and for minimizing the time elapsing between receiving the advanced funds and disbursing them (usually within 5 business days) for the intended expenditures?

Should a time come where the **(Organization Name)** requires advance funding, the **(Organization Name)** will first communicate the need to the Project Officer and then follow all applicable steps to complete the process in accordance with the grant terms & conditions. Federal funds received in advance are required to be deposited to be deposited in an interest-bearing account. The timing and amount of cash advances shall be as close as is administratively feasible to actual disbursements but **must** be expended within five **(5)** business days.

12. Does your organization have requirements for adequate separation of duties or internal controls so that funds are safeguarded and used only for allowable costs?

13. Does your organization monitor and provide project, program, and financial performance reports to EPA?

Staff within the organization prepare and submit Interim/Final Financial Status Reports (SF-425) as required at least annually for all federal funding sources. The organization monitors and provides project, program, and financial performance reports to the awarding agency.

14. Does your organization have procedures for preparing and submitting Interim/Final Financial Status Reports (SF-425) as required at least annually by EPA?

Federally funded projects require the organization to prepare regular updates on the status of program implementation. Reporting requirements can usually be found in the award's terms and conditions. The Executive Director (ED) will review funder grant documentation to determine frequency and format of technical reports. At the beginning the period that a programmatic report is due, the ED will send a reminder to the staff responsible for preparing the report. Oftentimes a programmatic report must be submitted with a financial statement of expenditures. In these instances, the ED will contact the Director of Finance to prepare the appropriate reports. The Director of Finance will prepare and submit an Interim/Final Financial Status Report (SF-425) annually for all Federal grants.

15. Does your organization have a policy for retaining financial and supporting records for a minimum of 3 years after the award is closed?

Record Retention

Record keeping and document retention are essential to an organization. Proper documentation is necessary to corroborate the existence of assets and liabilities, occurrence of business transactions, and completion of contractual obligations. **(Organization Name)** intends to ensure that necessary records and documents are protected and maintained as prescribed by laws, regulations, and contractual agreements. This policy sets forth guidelines which applies to all employees and to all information generated or received in the transaction of **(Organization Name)** business. The objective of this policy is to protect and maintain adequate documentation and to ensure that records no longer needed will be discarded at the appropriate time.

Retention Schedule

Accounts receivable ledgers and schedules	7 Years
Audit reports	Permanently
Bank reconciliations	3 Years
(Continue as necessary)	(XX) Years

16. Did your organization expend more than \$750,000 of Federal funds in the most recent fiscal year? If **No, skip to question 18.**

According to 2 CFR Part 200 Subpart F, recipients expending \$750,000 or more in Federal funds during a fiscal year must have an independent audit (Single Audit) conducted. Single Audits are to be performed by independent public accounting firms employed by the grantee organizations.

17. Did your organization obtain an audit in accordance with 2 CFR 200 Subpart F?

Within __ days of the fiscal year-end, the Controller will have completed entry of all invoices, purchases, payroll, and related receipts and data into QuickBooks to close the fiscal year. The Controller will begin preparing QuickBooks and financial documents for the audit review. The organization shall arrange for an annual audit of the Agency's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by **(Organization Name)**, will be required to communicate directly with the Audit Committee to provide updates on the process and completion of the audit. Members of the Audit and Finance Committees are authorized to initiate communication directly with the independent accounting firm. Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at the organization's Annual Meeting after the financial statements have been reviewed and approved by the Audit and Finance Committee providing members of the Board of Directors and direct opportunity to make inquiries of the independent auditor.

18. Does your organization currently receive Federal funds for indirect costs under its active EPA assistance agreements? If **No, skip to question 21.**

19. What is your current approved indirect cost rate, time period covered by the agreement, and which Federal agency is your cognizant agency for approving the rate?

20. Does your organization have a procedure to record, track, evaluate and update your indirect cost rates for approval by your cognizant agency?

Indirect costs charged to a Federal award must be covered by a valid and current negotiated rate agreement with the cognizant Federal agency, or otherwise allowable as a default rate by the cognizant Federal agency if applicable. The cognizant Federal agency is generally the Federal agency that provides the most Federal financial assistance to an organization, which may change over time.

(Organization Name) submits Indirect Cost Proposals on a periodic basis, following the applicable cognizant Federal agency's guidelines. Specifically, the Grants Administrator and Controller work together to prepare the proposal and submit to the President for review before submission to the applicable cognizant Federal agency.

21. Does your organization have procedures for registering and updating information (including executive compensation and unique entity identifier) in the System for Award Management on an annual basis? (<https://www.sam.gov/SAM/>) (DUNS - <https://www.dnb.com/>)

Updating Information in the System for Award Management

Purpose

Enables informed decisions about whether vendors and/or contractors will be engaged for work under the grant award. Registration in the System for Award management enables non-federal entities to be able to bid on federal contracts or other procurement opportunities. It also allows non-federal entities to be able to apply for grants, loans, and other financial assistance programs.

Policy

The Project Manager will register and/or update organization information in the SAM portal as required by federal grant agreements to maintain SAM compliance.

Procedure

Once annually the _____ (ex. Project Manager) will submit financial information through the SAM.gov portal. This information is downloaded from _____ (ex. Software) and represents an up-to-date financial picture.

Updating in the System for Award Management process is required by due date annually to receive Federal grants.

Step 1. Go to the homepage: www.sam.gov.

Step 2. Login to the website. Do not skip this step, it is not possible to renew without this step, the SAM.gov system requires user verification before allowing access to the renewal functionality.

Individuals must log in before attempting to renew, by entering the username and password for the Entity Administrator associated with the entity registration, and then clicking the "Log In "button.

Step 3. Select "Entity Registrations" on the left-side of your screen.

Step 4. Click "Existing Entity Registrations" to view the registrations to which you have access.

Step 5. Select the entity record that you want to update from the Entity List box and click the "Update" button to begin the renewal.

22. Does your organization have procedures for reporting and updating information for sub-recipients (including executive compensation) receiving \$25,000 or more in assistance in the Federal Funding Accountability & Transparency Act Subaward Reporting System (FSRS)? (<http://www.fsrs.gov>)

Updating Subrecipient Information in the FFATA

Prime Grant Recipients awarded a new federal grant greater than or equal to \$25,000 are subject to FFATA/FSRS subaward reporting requirements as outlined in the Office of Management and Budgets guidance. The prime recipient is required to file a FFATA subaward report by the end of the month following the month in which the prime recipient awards any subaward greater than or equal to \$25,000 (FSRS.gov).

FSRS PROCEDURES AND INFORMATION FOR PRIME RECIPIENTS

- FSRS Reporting System: <https://www.fsrs.gov/>
- Awardee User Guide: https://www.fsrs.gov/documents/FSRS_Awardee_User_Guide.pdf

PAYROLL

23. Does your organization have written payroll policies and procedures including policies for fringe benefits paid to personnel? If Yes, please provide a copy of the procedures for review.

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, worker's compensation, and unemployment benefit plans. Fringe benefit costs are allowable to the extent that the benefits are reasonable and are required by law, governmental unit employee agreement, or an established policy of the governmental unit. Fringe benefits include leave, and it will be equitably charged and applied across all grants.

24. Does your organization require all employees to fill out timesheets at least monthly that coincide with one or more pay periods?

The organization pays its employees on a bi-weekly basis. Employee timesheets are generated using an on-line tracking system.

25. Are timesheets required to be signed by the employee, supervisor, or both?

Staff must sign their timesheets at the end of each pay period. Supervisors must verify the accuracy of timesheets and sign all timesheets for staff that report to them.

26. Does your organization's timesheets require employees to record actual hours worked on each project, whether federally funded or not?

Timesheets are completed to include all specific time spent on each grant or project, as well as a specific task/activity from an approved work plan, delineated by appropriate accounting codes. All non-reimbursable administrative work and all non-working hours (i.e., vacation, personal, sick, holiday, etc.) will also be recorded on timesheets and defined by accounting codes.

27. Are actual hours worked away from the office (travel, teleworking, or other special circumstances) identified on timesheets?

Staff track time away from the office (i.e., vacation, sick, personal, etc.) and supervisors review time records of their staff for the pay period and compare timesheets for accuracy.

28. Does your organization apply salaries, wages, and benefits consistently to both federally and non-federally funded projects for the same labor categories?

The organization applies salaries, wages, and benefits consistently to both federally and non-federally funded projects for the same labor categories.

Travel

29. Does your organization have written travel policies and procedures including:

- **Requiring travel authorizations and approvals prior to travel and vouchers to support actual costs after the trip?**
- **Requiring separate levels of review prior to authorizing advances and payments?**
- **Ensuring that the travel costs claimed and billed are associated with the specific federally funded project?**
- **Ensuring that travel costs are allowable, allocable, and reasonable?**

If Yes, please provide a copy of the procedures for review.

Business Travel

Staff are required to obtain travel authorizations and approvals prior to travel. All requests must be authorized in advance by the Director/Supervisor and/or the President/CEO, even if no advance of funds is being requested.

Receipts to support actual costs must be submitted after each trip. Receipts should be coded to allow identification of the specific federally funded project for which they were incurred. Travel associated

with a specific federally funded project will be billed to that grant only and reviewed to ensure that travel costs are allowable, allocable, and reasonable. Lodging will only be covered with federal funds up to the current federally accepted rate. This rate varies by location, so be sure to check <https://www.gsa.gov/travel/plan-book/per-diem-rates> for the current rates. Prior to attending any grant funded travel, staff must ensure that adequate funds are in the grant budget. Travel expenses must be allocable to the grant project. Separate levels of review are required prior to authorizing advances and payments for travel.

Equipment

30. Does your organization have written procedures concerning property management and inventory control for items purchased with Federal funds? If Yes, please provide a copy of the procedures for review. If your organization does not have equipment, skip to Section V.

Equipment and Property Management

Capital Equipment as defined by the OMB is “tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.” All capital assets are recorded at historical cost as of the date acquired. The acquisition cost includes installation charges and freight. All costs associated with making the asset serviceable are capitalized. Invoices substantiating the acquisition cost of each unit of property shall be retained for a minimum of three years.

Equipment with an economic useful life of 12 months or less are expensed for financial statement purposes, regardless of the acquisition or production cost. Equipment acquired with external support becomes the property of the organization unless restricted by the funding organization.

(Organization Name) will obtain prior approval from the awarding agency prior to purchasing capital equipment.

31. Does your organization take a physical inventory of equipment and compare records at least once every two years?

Inventory and Maintenance

To ensure the proper receipt and tracking of equipment, the organization tags all equipment at the time of acquisition and performs a physical inventory of equipment purchased with grant funds every two years. The organization verifies the existence and condition of the equipment and the accuracy of records related to equipment. The organization establishes maintenance procedures and records of the operational condition of equipment. The Executive Director is notified of condition, location, loss, or

damage to equipment. Records are submitted to the Executive Director for review and approval. When equipment items have depreciated below \$5,000, the federal awarding agency will be contacted to have the item removed from the tracked inventory procedures.

32. Does your organization keep the following records for all equipment:

- **A description of the equipment?**
- **A serial number, model number or other identification number?**
- **The source of the equipment, including award number?**
- **Who holds the title?**
- **The acquisition date or date received?**
- **The cost of the equipment?**
- **Percentage of Federal participation in the cost of the equipment?**
- **The location, use, and condition of the equipment?**
- **Disposition data including the date of disposal and sale price of the equipment?**
- **Identification that the equipment is Federal property (if applicable)?**

Recordkeeping

(Organization Name) maintains records tracking equipment including acquisition date, cost, description, serial number (or similar identification number like a model number), source of funding (including the Federal Award Identification Number, or FAIN), percentage of federal participation in the cost of the equipment, title holder, location, status of equipment (i.e., use and condition), and disposition data. This information is maintained by the _____. If an item purchased with grant funds, the funding source, award number, and percentage of federal participation will be included in the equipment tracking database.

Equipment Disposal

If an item purchased with grant funds is determined to be obsolete, and the item's value exceeds \$5,000, disposition rules are followed. This may include requesting disposition instructions from the awarding agency. Disposition practices require compensating the federal awarding agency for its proportion of the original cost applied to the fair market value. The Executive Director is notified prior to the disposal of an asset purchased with federal funds.

Procurement

33. Does your organization have written procurement policies and procedures that have:

- Written standards of conduct that address potential conflict of interests and have disciplinary actions for any individuals engaged in conducting and administering contracts or sub-awards?
- Discussion of cost thresholds (small purchases vs. major procurements) and the procurement authorizations and approvals required?
- A written requirement to review to avoid unnecessary purchases and to limit purchases to necessary quantities?
- A written requirement to review lease vs. purchase alternatives (when appropriate)?
- A requirement to perform and document a cost or price analysis for all procurements?
- A requirement that procurement transactions maximize open and free competition?
- Written provisions for conducting solicitations having: a clear scope of work, requirements and features prospective bidders must meet, a preference to conserving natural resources and the environment, and positive efforts to use small, disadvantaged and minority owned firms when possible?
- Requirements to document: reasoning for the type of procurement being used, the basis for contractor selection, a justification for lack of competition or sole-source procurement, and the basis for award cost and price?
- Provisions that ensure that goods and services are received, approved and acceptable before payments are made?
- Provisions that no contract or sub-award will be entered into with parties that are debarred, suspended, or excluded from Federal assistance programs?
- Provisions in the contract or agreement for termination and Federal access to contract records?
- Guidelines for documenting contract files?

If Yes, please provide a copy of the procedures for review.

Guidelines for Purchases

Purchases are evaluated to ensure they are reasonable, allocable, and allowable. The vendor or contractor that meets the required quality standards at the lowest cost are selected. Regardless of the cost of acquisition, the organization avoids purchasing unnecessary items. Where applicable, the organization evaluates lease vs. purchase options to determine which is more economical. Considerable authority has been entrusted to employees who make purchasing decisions. The convenience afforded by this decentralized environment is coupled with full responsibility for decisions

and a complete understanding of the procurement and purchasing policies and procedures of the organization. All purchasing decisions should be made in the best interests of the organization and its related funders.

Purchasing with Federal Award Funds

Purchases made when procuring property or services through a federal award with federal funds follow the procurement standards under the Federal Uniform Grants Guidance. Procurement transactions maximize free and open competition. Written solicitations have a clear scope of work, requirements and features prospective bidders must meet, a preference to conserving natural resources and the environment, and positive efforts to use small, disadvantaged and minority owned firms when possible. The organization documents the reason for the type of procurement bin used, the basis for contractor selection, a justification for lack of competition or sole-source procurement, and the basis for award cost and price.

Purchase requirements are based on the current federally adopted simplified acquisition thresholds (SAT). Purchases exceeding \$10,000 are subject to pre-award review by the Federal Entity to ensure procurement procedures are adequate. Special consideration is given to environmentally friendly, and energy efficient products/services (2 CFR 200.322) Quotes and bids must include specifications and qualifying characteristics considered by the vendor/contractor, including delivery and time frame, the scope of work, references, and other relevant specifications. A quote is a written statement from a vendor regarding the price for a specific good or service.

Purchase Threshold Requirements

Purchase Thresholds and categories are defined as follows (200.320

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.320>):

- Micro-Purchases (Purchases under \$10,000)
- Small Purchases (\$10,001 – \$250,000)
- Competitive Purchases/Sealed Bids (\$250,001+)
- Noncompetitive Proposals

For all purchases (single or cumulative) over \$10,000 for a single vendor within a fiscal year, written price or rate quotes will be obtained from an adequate number of qualified sources.

Micro-Purchases (Purchases under \$10,000)

Competitive quotations are not required if the prices are reasonable. Selection will be based on quality and cost. To the extent practicable, purchases will be distributed equitable among qualified suppliers.

Small Purchases (\$10,001 – \$250,000)

The organization will obtain price quotes which may be formal (i.e., a quote submitted to the organization on vendor letterhead) or they can be informal (i.e., phone call or web search) from an adequate number of sources. All quotes, including phone calls, web searches, etc. will be documented and kept on file.

Competitive Purchases/Sealed Bids (\$250,001+)

Sealed bids will be used when the selection of successful bidder can be made principally on the basis of price. Invitation for bids will define the items or services needed to allow bidders to properly respond. Descriptions will not contain features that unduly restrict competition, such as requiring certain brands or manufacturers of items. Bids will be solicited from an adequate number of known suppliers providing sufficient response time.

Noncompetitive Proposals

Procurement shall be conducted competitively to the maximum extent possible. Procurement by non-competitive proposals must have prior approval from any/all federal funding sources.

Procurement by non-competitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals and one of the following applies:

- a) The item is available only from a sole source, based on a good faith review of available sources.
- b) An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause severe injury to _____, as may arise by reason of flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary to alleviate the emergency; or
- c) After solicitation of a number of sources, competition is determined inadequate.

Written justifications for using such procedures shall support all procurements based on noncompetitive proposals. The _____ shall approve the justification in writing.

Conflict of Interest

No compensated officer, employee, or agent of the organization shall participate in selection, award, or administration of a contract supported by federal funds or otherwise if a real, apparent,

or potential conflict of interest exists. Such a conflict would arise when a compensated officer, employee, agent, or any immediate family member thereof, business or personal partner, or an organization which previously or currently employs or is about to employ any of the parties indicated herein, has a personal benefit, or a financial or other interest in the firm selected for an award. Compensated officers, employees, and agents of the organization shall neither solicit, nor accept, or offer gratuities, favors, or anything of monetary value from and/or to contractors, or parties to contracts and sub agreements. However, compensated officers, employees, and agents of the organization may offer or receive gratuities and/or gifts of appreciation for situations in which the financial interest is not substantial or the gratuity and/or gift is an unsolicited item of nominal value.

Any compensated officer, employee, or agent of the organization in violation of said standards of conduct shall be subject to disciplinary action and/or penalty that could ultimately result in termination of employment. Managers, President and/or Board of Directors reserve the right to terminate employment effective immediately upon discovery of incident depending on the nature and severity of offense.

Each new employee of the organization will be introduced to and trained on this code of conduct upon hire. All employees will be periodically trained on the code of conduct requirements thereafter.

34. Has your organization awarded contracts or sub-agreements under any of your current EPA assistance agreements? If **No, skip to Section VI.**

(Organization Name) will sometimes retain the services of outside organizations while performing the work of a grant. These services will fall under one of the following three types of procurements: General Procurements (Contracts), Consultants, or Sub-recipient agreements. Before entering into any agreement with any organization, the **(Organization Name)** will check the status of the organization on www.sam.gov to assure that they are not subject to debarment or suspension. Often a contract or sub-recipient will be written into the grant proposal. In all cases, the contractor/sub-recipient must be approved by the granting agency.

35. Does your organization have written agreements with contractors or sub-recipients?

If federal funds are to be transferred to other organizations, a formal, written subaward or contract agreement, which will be developed by the _____ (ex. Grants Administrator), must be reviewed and approved by the _____ (ex. President). **(Organization Name)** will refer to [2 CFR 200.331](#) regarding distinctions between subawards and contracts, and will ensure any subawards comply with these standards and are not used to acquire commercial goods or services for the recipient.

A procurement is considered a general procurement (Contract) if it is made from an organization that normally provides such goods and services to many organizations as part of its operations and if it operates in a competitive environment. For general procurements a contract or letter of agreement will be drawn up and signed by both parties. The contract or letter of agreement will clearly outline the materials, supplies or services that will be purchased or performed, the total cost of such goods or services, a clear delivery date of such materials or services. The contract or agreement will include a termination clause.

The procurement of goods and services will be considered a Sub-recipient on a grant if that organization completes a significant and substantive part of the effort, if that organizations work has its performance measured against whether the objectives of the program are met, if the organization has responsibility for programmatic decision making and if the organization has responsibility for adherence to applicable program compliance requirements.

A sub recipient agreement will be drawn up and signed by both organizations. This agreement will include a description of the work to be performed, the period of performance for the work, the method by which the sub-recipient will be monitored and evaluated on their efforts, and the total cost of the work to be performed. The agreement will contain all the regulatory requirements of the grant or award as well as the CFDA title and number, award name and number, award year, and the name of the federal agency providing the funding. The sub recipient will be required to file progress reports and the frequency of the reports will be outlined in the agreement. Progress reports will be required quarterly, 30 days after the end of each quarter. Yearly progress reports will be required and must be filed within 90 days of the end of the year. Progress reports will include a comparison of actual accomplishments with the goals and objectives established for the period. Finally, a termination clause will be included in the Sub-Recipient agreement.

Contractor/Sub-Recipient Monitoring

(Organization Name) will monitor the performance of sub recipients and contractors by monthly contact or site visits to provide a reasonable assurance the organization is administering the funds in compliance with the laws, regulations, and provisions of the grant and that the performance goals are achieved. In addition, a copy of the organizations most recent Uniform Guidance audit report (Single Audit) will be requested and kept on file for each sub-recipient.

Any sub-recipient or contractor who receives more than \$25,000 from a single award will be reported on the FFATA website. The report will be filed by the end of the month following the signing of the contract or sub recipient agreement.

Whether funds are transferred to other entities via subawards or contracts, **(Organization Name)** will follow these standards:

- a) Require entity to provide active Unique Entity Identifier (UEI) number and record of registration with SAM.gov before entering into an agreement;
- b) Confirm that a subrecipient is not suspended or debarred from receiving federal funds by searching the Excluded Parties List System (EPLS), which has been consolidated under the System for Award Management (SAM)(<https://www.sam.gov/portal/public/SAM/>);
- c) Ensure that proposed costs are necessary, reasonable and allocable;
- d) Ensure that any subawards to 501(c)(4) organizations do not involve lobbying activities;
- e) Obtain funder consent before making a subaward to a foreign or international organization, or subaward to be performed in a foreign country;
- f) Obtain funder approval for any new subaward work that is **not** outlined in the approved work plan in accordance with 40 CFR Parts 30.25 and 31.30, as applicable;
- g) Establish agreements in writing;
- h) Incorporate provisions that ensure compliance with requirements of a federal grant as well as federal requirements of all procurements, regardless of source of funds; subrecipients must follow all guidelines of federal grant just as **(Organization Name)**;
- i) Monitor the performance of their subrecipients and ensure that they comply with all applicable regulations, statutes, and terms and conditions which flow down in the subaward;
- j) Address reporting of subawards to Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (fsrs.gov) for all obligating actions of \$25,000 or more in Federal funds (not including Recovery Act funds)
- k) Include enforcement procedures for noncompliance including conditions under which termination may occur.

36. Did your organization check the Excluded Party List System (<https://www.sam.gov/SAM/>) to ensure the successful recipient is not suspended or debarred from Federal contracting or receiving Federal funds?

See response in Question #35

NOTE: Question #37 is missing from the form 6600. Please continue as normal.

38. Was EPA review and approval required for the contract or agreement prior to your awarding it or did EPA provide written comments on the award?

See response in Question #34

39. Has your organization awarded contracts to consultants under any of your current EPA assistance agreements? If **No, skip to question 42.**

(Organization Name) may secure a contract with a consultant, defined as an individual with specialized skills who, although not on the recipient's payroll as an employee, provides personal services to the recipient under an agreement which essentially establishes an employer-employee relationship between the recipient and the individual providing the services. Normally a consultant expense will be included in the budget proposal submitted to the federal agency. A consulting agreement will be drawn up and signed by both the Consultant and the **(Organization Name)**.

40. Does your organization have controls to ensure that charges to EPA agreements do not exceed EPA's allowed direct hourly rate for consultants {SES Level 4 (\$183,500)}?

By statute, EPA may not reimburse recipients for compensation they pay to individual consultants on an hourly, daily or other basis that has the effect of exceeding the amount paid to Federal employees at Level IV of the Executive Schedule.

Information on how to calculate the maximum daily rate and the daily pay limitation is available at the Office Of Personnel Management's [Fact Sheet: How to Compute Rates of Pay](#) and [Fact Sheet: Expert and Consultant Pay](#). Specifically, to determine the maximum daily rate, follow these steps:

- Divide the Level IV salary by 2087 to determine the hourly rate. Rates must be rounded to the nearest cent, counting one-half cent and over as the next higher cent (e.g., round \$18.845 to \$18.85).*
- Multiply the hourly rate by 8 hours. The product is the maximum daily rate.*

41. Do your consulting agreements specify the services to be provided, duration, and pay rates that include base rate, fringe benefits, and overhead?

The consulting agreement will contain a complete description of the services to be performed, the agreed upon price for such services, the period of performance for the services. The agreement will also outline measures of performance that must be met by the consultant, the process for evaluation of performance, as well as all the regulations required by the grant agreement. Finally, the agreement will include a termination clause.

42. Does your organization have any agreements, sub-agreements, or loans that involve federally funded construction, alteration, or repair contracts over \$2,000 that require compliance with the Davis-Bacon Act? If **No, skip to question 46.**

43. Did the contract or agreement contain the required clauses for complying with Davis-Bacon Act (DBA) wage rates, reporting requirements and include a wage rate determination from the Department of Labor at <https://beta.sam.gov/>? If **Yes, please provide a copy of the specific contract clauses for review.**

44. Did your organization, sub-recipients or borrowers receive and review certified weekly payroll records per Department of Labor form WH-347 for DBA projects? If **Yes, please provide a copy of page one and signature page of the completed WH-347 for review.**

45. Did your organization conduct labor interviews per DOL form SF-1445 (or equivalent) and/or require sub-recipients to do so for DBA projects? If **Yes, please provide an example with personal information removed for review.**

46. Did your organization receive any American Recovery and Reinvestment Act (ARRA) funds either directly or indirectly from EPA? If **No, skip to the next section.**

47. For any EPA ARRA funds used to construct, alter, maintain or repair public buildings or works; did the contract or agreement require that iron, steel and manufactured goods are produced in the United States in accordance with the "Buy American" provision of the act?

48. For ARRA infrastructure awards to states or local governments, were the necessary certifications required under Section 1511 of ARRA and done in accordance with program guidance posted on a website that is linked to Recovery.gov?

Disadvantaged Business Enterprises (DBE)

49. Does your organization have procedures to make good faith efforts to solicit and use Small Businesses, Minority Owned Firms, Women's Business Enterprises and Labor Surplus Areas when procuring construction, equipment, services, and supplies? If **Yes, please provide a copy of the procedures for review.**

Disadvantaged and Small Business Enterprises (DBE / SBE)

It is the policy of the **(Organization Name)** to ensure that Disadvantaged Business Enterprises have an equal opportunity to receive and participate in contracts. It is also the practice of the organization to ensure nondiscrimination in the award and administration of contracts; to create a level playing field on which DBEs and small businesses can compete fairly for contracts; to ensure that the DBE program is narrowly tailored in accordance with applicable law; to ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs; to help remove barriers to the participation of DBEs and small businesses in federally funded contracts; and to assist the development of firms that can compete successfully in the marketplace outside the DBE program.

Whenever possible, DBE and SBE contractors and vendors shall be given procurement preference when multiple bids have been received that are equal in value and services to be provided. When services or goods related to Capital Projects are to be procured, staff shall comply with all SBE and DBE requirements outlined in the funding agreements. These Good Faith Efforts are methods used by **(Organization Name)** to ensure Disadvantaged Business Enterprises (DBE) have the opportunity to compete for procurements funded by federal financial assistance dollars.

The organization documents the methods used to adhere to the Good Faith Efforts and will retain the documentation in the records of the organization. Documentation will include, but is not limited to, email logs, phone logs, electronic searches and communication, handouts, flyers, or similar records. In addition, if one or more of the Good Faith Efforts cannot be performed, the circumstances that have prohibited the full execution of each step will be documented and retained.

50. Does your organization submit the required Disadvantaged Business Enterprise (DBE) reports (at least annually) to EPA for any assistance agreement when: 1) procurement costs are identified under any cost category; 2) \$3,000 or more is budgeted for supplies; and 3) there are subawards or loans with budgets that meet the conditions described in items (1) and/or (2)?

Recipient Match

51. Do any of your organization's active EPA assistance agreements include Matching, Cost Sharing and/or In-Kind costs? If **No, skip to Section VIII.**

52. How did your organization fulfill the matching requirement?

53. Does your organization have procedures for identifying, valuing, documenting, and reporting cost sharing, matching and in-kind contributions for EPA projects? **If Yes, please provide a copy of the procedures for review.**

54. Are any of these costs covered by funding from other Federal sources?

55. Are these costs identified in the approved project budgets for these EPA agreements?

Program Income

56. Is program income being derived from and included in any of the EPA assistance agreements under review? **If yes, please complete the rest of this section.**

57. How is the program income being generated and reported, and how does your organization account for the program income in financial records?

58. Has the disposition of the program income been addressed by a term and condition in the assistance agreement?

59. How is the program income applied to the grant?

- ☐ Deducted from total project costs.
- ☐ Expanding the scope of work.
- ☐ Applying towards match/cost share requirement

60. If there is no term and condition, is the program income being deducted from the total allowable project cost and is this shown on financial reports to EPA?