Attachment I. F. ELC Purchasing/Procurement and Contract Policies

This is a document combining the following ELC policies; CM301, CM302, CM401, PR101, PR401, PR402, PR601, PR602, PR901, OP203, F106, F705.

**COLOR CODING FOR REVISION DATES:**

12/01/21 (amendment #31) = grey

03/09/22 (amendment #32) = yellow

06/15/22 (amendment #33) = pink

**CM301 Contract Administration and Management**

**Effective Date: 08/28/07**

**Revision Date: 02/01/12, 12/04/13, 04/08/15, 12/07/16**

For each agreement funded by federal or state financial assistance, the Coalition shall designate an employee to function as a contract/grant manager. The contract/grant manager shall be responsible for enforcing performance of the agreement’s terms and conditions and shall serve as a liaison to the contractor(s). These duties are assigned to Coalition staff as described here.

**C.E.O.’s Responsibilities:**

As the **Contract Administrator**, the C.E.O. is ultimately responsible for the oversight and approval of procurement services and contract management within the requirements of all applicable state and federal regulations.

The C.E.O. will ensure a system is maintained (by the Grants and Operations Manager and the Finance Manager) for contract administration to ensure compliance with the terms, conditions, and specifications of the contract and to ensure adequate and timely follow-up of all its purchases and services. The C.E.O. or designee shall report to the Board on contractor performance evaluation.

The C.E.O./Contract Administrator’s duties include:

1. Initiate, oversee, and approve of the contracting process.
2. Manage negotiations/changes to contract(s).
3. Serve as liaison between the Coalition’s contract/grant manager and the contractor and DEL
4. Provide clear, explicit and documented communication.

**Grants and Operations Manager’s Responsibilities**:

As the **Contract/Grant Manager**, the Grants and Operations Manager is responsible for the general administration of procurement services and contract management (which include enforcing the performance of the contract terms and conditions) within the requirements of all applicable state and federal regulations.

The Grants and Operation Manager’s responsibilities include:

1. Carrying out the preparations for contracting (contract initiation and renewals) as well as

contract execution. Create and maintain a contract file. Maintain a contract management file pursuant to CFO Memos No. 01,04, 05, and 20 as found at [CFO Memos (myfloridacfo.com)](https://www.myfloridacfo.com/division/aa/state-agencies/cfo-memos).

1. Manage changes to contract(s). Assisting the C.E.O. in negotiating the contract and any needed contract amendments, and recommending to the Coalition Board.
2. Securing all applicable, signed certifications and assurances.
3. Manage the receipt of goods/services. Monitor and evaluate provider performance and end user satisfaction.
4. Conducting diligent oversight of contractor performance and reporting findings to the Executive/Administrative Committee and the Coalition Board.
5. Second Review and approval of the contractor’s invoices for payment.
6. Maintaining the files of record pertaining to the contract(s).
7. Serve as liaison between the Coalition and the Contractor.
8. Provide clear, explicit and documented communication.
9. Initiate and conclude contract close-out activities.

**Finance Manager Responsibilities**

The Finance Manager’s responsibilities include:

1. Maintain financial information on all contracts.
2. Serve as liaison with the provider/contractor.
3. Assisting the C.E.O. in negotiating the fiscally-related contract items and any needed contract amendments, and recommending to the Coalition Board.
4. Manage the receipt of goods/services. Monitor and evaluate provider performance and end user satisfaction.
5. Conducting diligent oversight of fiscally-related contractor performance and reporting findings to the Executive/Administrative Committee and the Coalition Board.
6. Provide written certification that goods were received / services were obtained per terms and conditions before making payment.
7. Prepare cost reconciliation files.
8. Inspecting, reviewing, and approving the contractor’s invoices for payment.
9. Reviewing the contractor’s documentation of contract-related expenditures.
10. Maintaining the fiscal files of record pertaining to the contract(s).
11. Prepare a final reconciliation report.
12. Complete fiscally-related contract close-out activities.

**Overview of Contract Administrator and Contract Manager Documentation Requirements**

[2 CFR Part 200.318(b)]

**Contract Administrator** files are maintained and contain the following items:

1. Required documentation based on the Coalition’s related authorization policies and purchasing limits.
2. Required documentation based on additional applicable grant program laws, rules regulations and guidance.

**Contract Manager** files include:

Documentation for authorization of work:

1. No work authorized until contract is fully approved and executed.
2. No change in work is authorized until a fully approved and executed contract amendment is in place.
3. No contract amendment for work will be executed without required review/approval based on the Coalition’s related policies /limits and any related grant terms from funding source.

Conformance of work:

1. Establish and maintain a system based on applicable laws, rules, regulations and grant provisions to reasonably ensure goods/services are received as intended and when intended.
2. Authorize payment of invoices to contracts after final approval of work products.

**CM302 Contract Requirements**

**Effective Date: 04/08/15**

**Revision Date: 03/16/16, 12/07/16, 02/07/18, 06/12/19, 03/10/21, 12/01/21**

**Contract Overview**

A clear and complete contract is a critical component of this process. The quality of the contract can determine whether the contract will be successful. Additionally, issuing a comprehensive contract is necessary because the quality of the contract will have a direct effect on the payment process, the monitoring process, and the overall success of the project.

Contracts should CONTAIN:

* A specific and clearly defined scope of work
* Specific deliverables (quantifiable, measurable and directly related to the scope of work)
* Sub-contracting/sub-granting terms, if applicable
  + The contractor should be required to use a competitive procurement method or provide a detailed cost analysis for services obtained from subcontractors.
  + If the contract is a cost reimbursement contract, any subcontractor should also be a cost reimbursement contract.
* All terms and conditions necessary to govern the relationship between the contractor and the subcontractor.
* Payment terms (e.g., frequency of payments, method of payment and required documentation)
* Specific steps for pro-rating invoice amounts if minimum performance standards are not met. Remember, cost reimbursement and fixed price agreements should include minimum performance standards that ensure an adequate level of services are provided.
* Contracts with subcontractors must contain standard audit language regarding federal and state financial assistance.
* The timing, nature and substance of all reports the contractor/subcontractor is required to prepare
* A provision for the disposition of property purchased with coalition funds. If the contractor is for contractual services and the property is defined as “property” in Coalition policy #F402, it should be returned to the coalition upon contract termination. Disposition of non-expendable property acquired with state or federal financial assistance must be disposed of in accordance with applicable rules and regulations.
* Specific sanctions for noncompliance/nonperformance of required services
* All required/applicable contract provisions/disclosures in writing. [2 CFR Part 200.327]

###### Contracts should REQUIRE:

* The contractor and subcontractors maintain both cost and programmatic records for five years and allow the coalition access to the records.
* The contractor/subcontractor to have an adequate cost accounting system or require the contractor/subcontractor to maintain a separate bank account.
* A financial status report (summary of activity and costs) submitted prior to the final payment.
* Return of all unused funds
* All costs to be reasonable, allowable, allocable and documented, and require repayment for all disallowed costs
* Bonding for construction-related contracts. (if allowable). [2 CFR Part 200.326]
* Cleared Background Screenings and Credentials of Contractor employees assigned to work on the contract (if applicable). See Coalition Personnel Policy **#HR204** for more information.

**Price Cost Analysis**

Depending on the procurement method and type of contract to be entered into, a price and/or cost analysis should be completed. The price and/or cost analysis must be completed before receiving bids or responses to proposals. Section 216.3475 Florida Statutes requires that a person or entity that is awarded funding on a non-competitive basis may not be paid more than the competitive market rate.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Definition | Objective | Actions |
| Price Analysis | The process of examining and evaluating proposed price without evaluating its separate cost elements. | Verify that overall price is fair and reasonable. | \*Compare current proposed prices  \*Compare current price to previous price |
|  |  |  |  |
| **Cost Analysis** | The process of reviewing and evaluating separate cost elements. | Determine the allowability and reasonableness of proposed cost elements. | \*Determine that proposed costs are allowable per federal and state laws, rules and regulations.  \*Evaluate necessity for and reasonableness of proposed costs. Give particular attention to fringe benefits, overhead and indirect cost rates, profit margin.  \*Compare to actual costs previously incurred for same services. |

**NOTE:**

* Competition (2 or more responses) usually establishes price reasonableness.
* Fixed price/fixed rate agreements with vendors, which have been competitively procured by evaluation of two or more responses, do not usually require further price or cost analyses. However, competitively procured fixed price/fixed rate agreements with recipients will require further cost analyses.
* Cost reimbursement and/or cost plus fixed fee agreements always require cost analysis.
* ITN, Single Source, and non-competitive procurements require price and cost analyses. The objective is to negotiate an agreement of a type and a price that provides the greatest incentive for efficient and economical performance.

**Contract Renewals and Extensions**

Renewals

Pursuant to Section 287.057(13), F.S., coalitions may renew contracts for commodities or contractual services for the original term of the contract or for a period that may not exceed three (3) years, whichever period is longer. The coalition must provide documentation justifying that the renewal is in the best interest of the State and keep such justification in the contract file. Renewals are contingent upon satisfactory performance evaluations by the coalition, are subject to availability of funds, and must be authorized by mutual agreement in writing. Contractors shall include the cost of any contemplated renewals in their responses, and the renewal, if any, is subject to the same terms and conditions set forth in the initial contract. Exceptional purchase contracts pursuant to Section 287.057, paragraphs (3)(a) (emergency procurements) and (c) (single source procurements) may not be renewed.

Extensions

Pursuant to Section 287.057(12), F.S., coalitions may extend contracts for services for a period not to exceed 6 months. The extension is subject to the same terms and conditions set forth in the initial contract. A coalition may only extend a services contract once, unless events beyond the control of the contractor cause the contractor’s failure to meet the criteria for contract completion.

**Contract Provisions**

The Coalition includes the following provisions, as applicable, in all contracts charged to Federal awards (including small purchases) with vendors and sub grants to grantees/contractors:

**Federal Considerations** [2 CFR Part 200.327; 2 CFR Part 200 Appendix II]

For transactions funded by federal programs, additional disclosures are **required** **regardless of scoped/services**.

* 1. Debarment and suspension provision(s).
  2. Equal Employment Opportunity provision.
  3. Other/additional terms may also apply based on scoped goods/services.

**Audit Requirements**

## Accounting and auditing requirements

### During the course of any state fiscal year, the Office, the Florida DFS, the Florida Auditor General, HHS, Inspector Generals of federal and state agencies, the Comptroller General of the United States or any of their duly authorized representatives may review operations of and records from the Contractor.

### Any of the above-listed reviews may identify questioned costs. The Contractor shall have an opportunity to substantiate or appeal the finding or questioned cost(s). Any unresolved questioned costs may become disallowed federal and state program costs. Section 17.04, F.S., and 2 CFR §200, require Contractors to repay disallowed federal and state program costs. Contractors/grantees may not pay disallowed costs with federal grant, state grant or matching funds.

### The Contractor agrees that legal expenses and related costs in the defense or prosecution of any claim or appeal against the state government or any of its agencies are not reimbursable costs. However, 2 CFR §200 Subpart E allows reasonable legal expenses and related costs required in administering early learning programs within administrative expenditure limitations for SR and VPK Programs.

## Monitoring

### Monitoring activities. The Office is responsible for monitoring grant, subrecipient and contract supported activities to assure compliance with Federal requirements and that performance goals are being achieved. In accordance with 45 CFR §75.342 (also 2 CFR §200.329), *Monitoring and reporting program performance*, subrecipient monitoring must cover each program, function and activity. Such monitoring activities may include, but are not limited to, onsite visits by DEL/ELC staff or contracted consultants, limited scope audits as defined by 2 CFR §200, and/or other procedures. By entering into the agreement, the Contractor agrees to comply and cooperate with any monitoring procedures/processes DEL/ELC deems appropriate. The Contractor further agrees to comply and cooperate with any inspections, reviews, investigations or audits deemed necessary by the HHS, the Florida DFS or the Florida Auditor General.

### Related party disclosures. The Contractor shall ensure that all related party transactions are included in the financial statement footnote disclosures in accordance with requirements defined in Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 850, *Related Party Disclosures.* In addition, the grantee shall comply with all applicable provisions of Chapter 112, F.S., Public Officers and Employees, as required by [s. 1002.83(9), F.S.](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=1000-1099/1002/Sections/1002.83.html) and s. 1002.84(21), F.S. for related party transactions and with disclosure instructions for conflicts of interest as defined in 2 CFR 200.318.

* 1. Documentation of related party activity to support proper written notification to the entity’s governing board is required and must be submitted to DEL for review/acceptance. Such supporting documentation includes the following items.
     1. The impacted individual must complete the necessary conflict of interest disclosure forms.
     2. Any governing board member(s) benefitting from the activity must disclose in advance in writing the conflict of interest and must abstain from the vote process.
     3. Meeting minutes that reflect a valid vote of approval by two-thirds vote of the entire membership of the governing board.
     4. A copy of the agreement or written summary of the transaction including the start date, purpose, amount/cost incurred and funding/OCA code(s) charged.
     5. Related documentation to verify compliance with state purchasing rules.
  2. No related party activities may be executed without approval from the Office.
     1. Transactions under $25,000 must be submitted to DEL for processing within 30 days after receipt of governing board approval.
     2. Transactions of $25,000 or more must be submitted to DEL for prior written approval before the contract/agreement/activity can be executed.
  3. Related party activities and/or conflicts of interest occur when for any transaction the benefits of an interested party may be seen as competing with those of the State of Florida. Such conflicts of interest:
     1. May be financial or non-financial.
     2. May include actual, potential and perceived conflicts of interest.
     3. Include organizational conflicts of interest that occur because of a relationship with an affiliate or subsidiary organization.
     4. May occur due to governing board members and/or active entity employees.
  4. Each ELC shall submit one electronic copy of the support files described above in Section 2.1 and any other supporting files considered necessary electronically to the report recipient indicated in Exhibit VI – List of Reports. If the ELC does not have access to the DEL SharePoint site, DEL will provide alternative written instructions.

### Internal controls – auditor documentation. The Contractor shall obtain the internal control work papers from the auditor(s) performing the annual independent financial statement audit. The Contractor shall keep these work papers onsite as part of its financial records and shall provide a copy to DEL/ELC as part of the financial reporting package as instructed in section C.3. Report Submission, below.

### Internal controls – annual self-assessment. The Contractor must perform an internal controls self-assessment using DEL’s annual Internal Control Questionnaire (ICQ) Survey Form. The Contractor shall provide a copy of the completed annual ICQ to ELC, as instructed below, by August 31 of each grant award period unless ELC provides other written instructions.

### The annual ICQ will help the Contractor document that the primary objectives for internal controls pertaining to compliance requirements for federal programs, including the following, are met in accordance with 2 CFR §200.303:

### The Contractor properly records and accounts for transactions.

### The Contractor executes transactions in compliance with laws, regulations and contract provisions.

### The Contractor safeguards funds, property and other assets against loss due to unauthorized use or disposition.

### Reasonable measures are taken to safeguard protected personally identifiable information (PPII) and other information the Federal awarding agency or the Office consider sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

### DEL/ELC will provide the annual ICQ form in electronic format to the Contractor by July 1 of each award period, unless DEL/ELC makes other arrangements.

### Audits

1. **Federally-funded**

This section is applicable if the ELC is a state or local government or a non-profit organization as defined in 2 CFR §200. A web site that provides links to several Federal Single Audit Act resources can be found at: [Federal Single Audit Act Resources](https://harvester.census.gov/facweb/Resources.aspx).

* 1. According to the [Subpart F-Audits 45 CFR §75.501(a)](http://www.ecfr.gov/cgi-bin/text-idx?node=se45.1.75_1501&rgn=div8), non-federal entities that expend $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part and other applicable federal regulations. Guidance on determining Federal awards expended is provided in [45 CFR Part 75.502](https://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75#se45.1.75_1502) (2 CFR §200.502).
  2. The Office’s Notice of Award indicates Federal resources awarded through the Office by this agreement. In determining the Federal awards expended in its fiscal year, the ELC shall consider all sources of Federal awards, including Federal resources received from the Office. In connection with the audit requirements, the recipient shall also fulfill the following instructions related to auditee responsibilities as provided in 45 CFR §§75.508 through 75.512 (also 2 CFR §§200.508 through 200.512), as well as the following additional state-level requirements. The financial statements shall disclose whether the grantee met the matching requirement for each applicable contract/grant in accordance with DEL Program Guidance 440.10 – Match Reporting.
     1. The ELC shall fully disclose in the audit report all questioned costs and liabilities due to DEL with reference to the DEL grant award(s), agreement(s) or contract(s) involved.
     2. The audit procedures and Single Audit reports must include DEL’s annual financial and programmatic monitoring report results, as applicable.
  3. The ELC is responsible for submitting the Single Audit Reports and the required federal Data Collection Forms (SF-FAC) electronically to the [Federal Audit Clearinghouse](https://harvester.census.gov/facides/(S(niy3ix4zxs3f1k2inn5wuhhn))/account/login.aspx) within the earlier of thirty (30) days after receipt or nine months after the fiscal year’s end of the audit period.
  4. If the ELC expends less than $750,000 in federal awards in its fiscal year, a federal Single Audit is not required. If the ELC still elects to have an audit conducted in accordance with the provisions of 2 CFR §200, then the cost of the audit must be paid from non-federal resources (i.e., the ELC must pay the audit costs from resources obtained from non-federal and non-state entities).

1. **State-funded**

This part is applicable if the ELC is a non-state entity as defined by s. 215.97(2), F.S. – The Florida Single Audit Act. Additional information regarding the Florida Single Audit Act can be found at: [Florida Single Audit Act.](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0200-0299/0215/Sections/0215.97.html)

* 1. The Office’s Notice of Award indicates State resources awarded through the Office by this agreement. In determining the State awards expended in its fiscal year, the ELC shall consider all sources of State awards, including State resources received from the Office.
  2. In the event the ELC expends $750,000 or more of state financial assistance in any fiscal year, the ELC must have a state single or project-specific audit conducted accordance with the [Florida Single Audit Act](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0215/Sections/0215.97.html); Chapter 69I-5, F.A.C.; Rule 61H1-20.0093, F.A.C., Chapter 10.550 – Local Government Entity Audits or Chapter 10.650 – Florida Single Audit Act Audits Non-profit and For-profit Organizations.
  3. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Office, other state agencies and other non-state entities. State financial assistance does not include federal direct or pass-through awards and resources received by a non-state entity for federal program matching requirements.
  4. If the ELC expends less than $750,000 in state financial assistance in its fiscal year, a Florida Single Audit is not required. If the ELC still elects to have an audit conducted in accordance with the provisions of s. 215.97, F.S., the cost of the audit must be paid from non-state resources (i.e., the ELC must pay the audit costs from resources obtained from non-federal and non-state entities).
  5. Pursuant to s. 215.97(8), F.S., state agencies may conduct or arrange for audits of state financial assistance that are in addition to audits conducted in accordance with s. 215.97, F.S. In such an event, the state awarding agency must arrange for funding the full cost of such additional audits.
  6. Find additional information regarding the Florida Single Audit Act at the [Florida DFS website State Single Audit resources](https://apps.fldfs.com/fsaa/).

1. **Special Audit Testing Requirements**
   1. It is essential that the audit firm test the Contractor's monthly reconciliation of its financial records to the Single Statewide Information System (SSIS). ~~The auditor must include a statement in the Schedule of Findings and Questioned Costs confirming the following: (a) that the Contractor staff performs this reconciliation monthly; (b) that the Contractor has processes in place to identify and correct errors noted during the monthly reconciliation process; and (c) the Contractor's financial records and the SSIS records were reconciled and in agreement as of the annual program year end (June 30th)~~. To report on the audit tests performed, the auditor must include a statement in the Schedule of Findings and Questioned Costs confirming the following: (a) the Contractor staff performs this reconciliation monthly; (b) the Contractor has processes in place to identify and correct errors noted during the monthly reconciliation process; and (c) the Contractor's financial records and the SSIS records (or acceptable equivalent documentation files tested/audited) were reconciled and in agreement as of the annual program year end (June 30th). Finally, a statement must be included to indicate the auditor's work papers include documentation to verify tests of these tasks were performed and such work papers are available for review by DEL/ELC staff upon request.
   2. If such testing was not completed, or if these statements are missing from the annual audit report, the auditor's annual procedures will be considered incomplete/deficient and the Coalition will receive notice of such in the OIG’s annual Management Decision.
   3. All funds administered by the Coalitions must be included in the audit coverage. This includes funds that are provided to any auxiliary entity over which the Coalition exercises controlling influence, such as a foundation. For purposes of this Agreement, all foundations or other similar entities are considered to be affiliated organizations and, in some instances, may need to be classified as a component unit.
   4. For any affiliated organization, at a minimum the audit report should disclose the entity's mission/purpose and summarized financial data including total assets, liabilities, net assets, revenues, expenditures, and the entity's relationship to the Coalition's activities. The auditor may need to provide other disclosures and presentations (such as consolidated financial statements) as appropriate after giving proper consideration of applicable accounting standards pronouncements regarding reporting of related entities such as FASB Statement of Position (SOP) 94-3.
2. **Report submission**
   1. Copies of reporting packages (including any management letter issued by the auditor and the ELC’s written corrective action plan response(s)) for federal Single Audits required by Sections C.1. and C.2. above shall be submitted as required by 2 CFR §200.512, by or on behalf of the ELC directly to each of the addresses indicated.
   2. Submit one electronic copy of the financial reporting package and files described above in Section B.3. to the **Coalition’s Finance Manager** and the Office at the following address:

Division of Early Learning

Financial Management Systems Assurance Section (FMSAS)

Email – *OEL.Questions@oel.myflorida.com*

Website – DEL Share Point site:

*DEL Portal/Partners/Contractor site/FMSAS Document Exchange – Restricted/‌20XX-XX FMSAS/Annual Audit Report Files*

* 1. Submit the Single Audit Reports and the required federal Data Collection Forms (SF-FAC) electronically to the [Federal Audit Clearinghouse](https://harvester.census.gov/facides/(S(niy3ix4zxs3f1k2inn5wuhhn))/account/login.aspx) within the earlier of 30 days after receipt or nine months after the fiscal year’s end of the audit period.
  2. Submit one paper copy by mail and one electronic copy of the financial reporting package to the **Coalition’s Finance Manager** and the Auditor General’s Office at the following address:

Auditor General

Local Government Audits/342

Claude Pepper Building, Room 401

111 West Madison Street

Tallahassee, FL 32399-1450

Email: [flaudgen\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)

Website: [https://flauditor.gov/](http://www.myflorida.com/audgen)

The ELC shall indicate in correspondence accompanying the reporting packages the date of delivery from the auditors to the ELC for the reporting package.

* 1. All items Auditor General Rule 10.656(3) requires, as described on the [Auditor General's Financial Reporting Package Submittal Checklist](http://www.myflorida.com/audgen/pages/pdf_files/fsaa_submittal_16.pdf) and the related [checklist instructions](http://www.myflorida.com/audgen/pages/pdf_files/electronic_filing_nonprofits_profits.pdf) must be included for a reporting package to be considered complete.

**Certifications and Assurances**

The Coalition will not award a contract where the Contractor has failed to accept the certifications this section contains. In performing its responsibilities under the agreement, the Contractor will certify and assure that it will fully comply with all applicable following requirements.

**I. Federal Certifications – applicable to ALL ENTITIES as noted**

1. Cost allocation plan or indirect cost rate proposal.
2. Proper expenditure reporting.
3. Smoking Prohibitions (Pro-Children Act of 2001).\*
4. Status as a non-major corporation.
5. Debarment, suspension and other responsibility matters.\*
6. Drug-Free Workplace. \* *- applies to purchases of services of $100,000 or more*
7. Environmental Tobacco Smoke Certification
8. Filing and payment of taxes.\*
9. Lobbying.\* *- certification applies to purchases of $100,000 or more*

*\*applies to all vendor/contractor and subrecipient agreements, contracts and awards*

**II. Federal or state-required Assurances – applicable to DEL SUBRECIPIENTS as noted**

1. Clean Air Act (42 U.S.C. 7401, et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251, et seq.).\* *- applies to purchases of $150,000 or more*
2. Conflicts of Interest. \*
3. Contract Work Hours and Safety Standards Act.\*
4. Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c).\*
5. Davis Bacon Act, as amended (40 U.S.C. 276a, et seq.).\*
6. Equal Employment Opportunity (EEO).\*
7. Procurement of recovered materials.\*
8. Purchase of American-Made Equipment and Products.\*

*\*applies to all vendor/contractor and subrecipient agreements, contracts and awards as noted*

Descriptions of the following requirements are provided in DEL’s most recent annual grant agreement:

Assurances – Non-Construction Programs

Certification Regarding Convicted and Discriminatory Vendor List, Section 287.133 Florida Statutes

Unauthorized Aliens; Employment Prohibited, Section 448.09, Florida Statutes

Facility Accessibility Statement

Separation of VPK and SR Program Funds, Section 1002.71(1) and (7) F.S., and 45 CFR Part 98.54

Audit Requirements

Certification Regarding Immigration Status

Certification Regarding Standards of Conduct

Certification Regarding Prohibition for Distribution of Funds to the Association of Community Organizations for Reform Now (ACORN)

The Transparency Act

Scrutinized Companies Lists Provisions and Certification (s. 287.135, F.S.)

Certification Regarding Subrecipient Monitoring

Assurance for Proper Expenditure Reporting

CCDF Salary Cap Annual Testing Requirements

Certification Regarding Non-profit Organization Status as a Non-major Corporation

Certification of Cost Allocation Plan or Indirect Cost Rate Proposal

Procurement of Recovered Materials

Assurances - Construction Programs, if applicable

Other Miscellaneous/General Disclosures

Conflicts of Interest

Procurements and other Purchases

Property

Purchase of American-Made Equipment and Products

Reporting of Matters Related to Recipient Integrity and Performance

Compensation Report Requirements

## Any other applicable Certification and/or Assurance not listed above (as listed and/or updated in the most current DEL Grant Agreement - which is incorporated into each subrecipient contract).

**Other Required Clauses**

**Remedies:**

All contracts with an amount expected to exceed $35,000 (per Florida Statute 287.058 (1)(h)) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.

**Termination:**

All contracts with an amount expected to exceed $10,000 [per Appendix II to 45 CFR Part 75 and Appendix II to 2 CFR Part 200] shall contain suitable provisions for termination for cause and for convenience by the recipient and subrecipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

**Right to Audit:**

The Coalition requires a “Right to Audit” clause in all contracts between the Coalitions and vendors that either; (1) take any form of temporary possession of assets directed for the Coalition, or (2) process data that will be used in any financial function of the Coalition.

This Right to Audit clause shall permit access to and review of all documentation and processes relating to the vendor’s operations that apply to the Coalition, as well as all documents maintained or processed on behalf of the Coalition, for a period of three years. The clause shall state that such audit procedures may be performed by the Coalition employees or an outside auditor or contractor designated by the Coalition.

**CM401 Documentation/File Requirements**

**Effective Date: 08/28/07**

**Revision Date: 02/04/09, 08/03/11, 02/12/13, 12/07/16**

**Contracts Administration and Management**

Once a contract has been executed it enters the last phase of the contract management system. During this phase of contract management, day to day activities are managed by the assigned contract manager. Overall performance results are documented and monitoring tasks are also performed. Adequate documentation of goods/services procured, goods/services received, payments made and compliance with federal and state grant program rules is required. The file forms/processes listed here represent minimum contracts administration/management documentation requirements for Coalition contract agreements.

**Documentation/File Requirements**

Each contract file consists of three main sub files and any other official documentation associated with official Coalition business. The main sub files are:

1. The Procurement File
2. The Contract File
3. The Contract Monitor File

1. Procurement File

The procurement file, containing all documentation and information regarding the contractor selection process becomes part of the contract file upon contract award, and includes, at a minimum, the following items:

1. Proof of all legal advertising
2. Copy of the solicitation document
3. Solicitation Receipt Log
4. Copies of solicitation responses received
5. Documentation of the solicitation response opening activities
6. Correspondence received pertaining to the solicitation
7. Copies of the questions and responses to all inquiries
8. Documentation listing the names of all individuals taking part in the Coalition or selection of criteria for evaluation, the evaluation process, and the award process
9. A signed and completed Conflict of Interest Questionnaire/Statement from all individuals taking part in the selection process, etc.
10. Documentation of Cost/Price Analysis
11. Copies of the evaluation team’s evaluations
12. Documentation of any posting activities
13. Notice of Award
14. Copies of protests received and documentation of their resolution
15. Memorandum of Negotiation
16. All documentation required by procurement procedures addressed in the Coalition’s procurement policies and procedures

2. Contract File

Every contract must be supported by a contract file that contains documentation for each phase of contract activity. All pertinent information relating to the contract must be collected and maintained in the contract file.

Below is a list of documents that shall be maintained annually by the Coalition for each applicable contract. The Finance Manager and Grants and Operations Manager shall review the documents, from the contractor, for accuracy and completeness and maintain documents in the contract file.

1. **Formal contract documents** *[45 CFR § 75.327(a); 45 CFR § 75.329; and s. 287.057(15), F.S.]*
2. Original executed (signed) contract/grant
3. Contractor name
4. Contract amount
5. Subcontracts, memorandums of agreement, if applicable
6. Amendments
7. Renewals
8. Bonds
9. Insurance
10. Funding source(s)
11. Contract relationship [Ch. 69I-5.006, FAC and 45 CFR Part 75.351]
12. Provider’s justification of need for advance, if applicable
13. Scoped reporting requirements (evaluation reports, performance measures, etc.)
14. **Day-to-day management documents** *[s. 287.057(15), F.S. ; DFS FCCM Manual; 0A-1, FAC; 45 CFR Part 75.327(a); 45 CFR Part 75.329]*
15. Performance documentation
16. Correspondence
17. Payment documentation
18. Deliverables
19. Subcontractor approvals
20. Status of reporting requirements
21. Contract monitoring
22. SR/VPK provider contracts (if applicable)
23. Vendors/contractors
24. Subrecipients
25. **Other related contracts administration activities**
26. Subrecipient contracts and subawards
27. Risk assessments – planning and monitoring phases
28. Additional disclosures and special conditions
29. Contracts Closeout
30. Problems with Vendor/Contractor Performance
31. Contract Termination
32. Prior approval documentation requirements
33. Conflict of Interest disclosures (if applicable)
34. Coalition governing board members
35. Coalition employees
36. Relative(s) of either group as defined in statute
37. Organizational conflicts

For the Coalition’s Primary Service Provider Contract, below is the contract-specific list of documents to be maintained annually by the Coalition. An asterisk (\*) indicates reports/documents are provided by the contractor throughout the contract year.

1. Executed Contract with grant funding information (including the notice of award numbers), program descriptions, parent fees, provider fees, assurances and certifications
2. Contract Review form/checklist
3. Amendments with back-up documentation (reason for amendment)
4. Projected Budget, planned costs by OCA
5. Insurance Certifications
6. Subcontract Document (Agreement)
7. School Readiness and VPK Provider Lists and contract forms\*
8. Correspondence regarding contract
9. Attendance Audit Procedures
10. Personnel Position Descriptions
11. Civil Rights Compliance Documentation
12. Local Match Documentation\*
13. Business Contingency Plan (C.O.O.P.)
14. Customer Satisfaction Reports\*
15. Enrollment Reports\*
16. Utilization Reports\*
17. Financial Statements\*
18. School Readiness Program Management Reports\*
19. Voluntary Pre-K Program Management Reports\*
20. State Required Reports (R&R, etc.)\*
21. Coalition Required Reports\*
22. Reimbursement Invoices with supporting documentation\*
23. Billing and Payment Activity
24. Financial Audit
25. Annual Report
26. Contract Renewal form or letter
27. Contract Close-out documentation

3. Contract Monitoring File

A formal monitoring process *[CFOM No. 05, Contract Monitoring and Documenting Contract Performance]* includes*:*

1. Risk Assessment
2. Monitoring Plan
3. Monitoring Procedures and Criteria
4. Evidence to support conclusions reached during its monitoring process
5. Corrective Action Plan (if required)
6. Follow-up on Corrective Action (if required)

Every contract must be supported by a contract monitoring file containing documentation supporting the contract monitoring activity. The following is a list of documents maintained in the contract monitoring file:

**Monitoring Plan**

1. Contract year monitor subject areas and scheduled monitoring, with timelines to incorporate adequate time for each monitoring process as well as to create, implement, and complete necessary corrective action plans.
2. For each scheduled monitoring:
   * 1. entrance notification letter to include scope of monitoring, schedule/location of monitoring, planned monitoring tools, and request for documents
     2. exit interview documentation
     3. completed monitoring tools
     4. worksheets
     5. correspondence and exhibits relevant to monitoring
     6. monitoring reports
     7. Contractor response(s) to report
     8. Corrective Action Plan (C.A.P.) Documentation
        + Coalition approval/disapproval of proposed C.A.P.
        + Status reports (as applicable)
        + Satisfactory completion of corrective action plan

**PR101 Overview**

**Effective Date: 08/28/07**

**Revision Date: 12/07/11, 12/04/13, 12/07/16**

**Purpose**

This operating procedure establishes policy and furnishes the procedures to ensure that the Coalition, through its contracting process, protects the funds it disburses, derives the maximum return of services from those funds, and is in compliance with applicable state and federal laws, rules, and regulations governing contracts for services.

**Legislative Direction**:

Chapters 287 and 1002.83 (13), 1002.84(13) and (21), and 215.971 Florida Statutes, as well as 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2CFR 215) provides procurement procedures, specifies certain contract terms and conditions, and specifies legislative intent. The legislative intent is that:

* fair and open competition be recognized as a basic tenet of public procurement;
* such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically; and
* documentation of the acts taken and effective monitoring mechanisms are important means of curbing any improprieties and establishing public confidence in the process by which contractual services are procured.

It is essential to the effective and ethical procurement of contractual services that there be a system of uniform procedures to be utilized by the Coalition in managing and procuring contractual services, that detailed justification of Coalition decisions in the procurement of contractual services be maintained, and that adherence by the Coalition and the contractor to specific ethical considerations be required.

**Policy**

Good judgment requires that the Coalition utilize the resources allocated by the legislative process to the fullest extent possible to provide mandated and needed services to the constituency it serves. It is the responsibility of the Coalition to ensure that the expenditure of these resources responds to legislative direction in a balanced fashion. Proper application of the provisions of the Contract Management and Monitoring Policies and Procedures will aid in accomplishing this objective and ensure compliance with applicable state procurement requirements.

When purchasing commodities and/or contractual services for the purpose of conducting Coalition business, the Coalition will follow all State and Federal guidelines as established legislatively. Further, the Coalition will not enter into a contract in support of internal operations unless funding is available within the Coalition operating budget.

**Unrestricted funds purchases** must be in line with the Coalition’s mission, and the expenditures made in accordance with the Coalition’s purchasing approval thresholds. However, purchases made with unrestricted, non-governmental funds are not subject to F.S. 287 or other governmental regulations regarding procurement. Therefore, Coalition staff will only follow F.S. 287 procedures when it is deemed necessary and requested by either the C.E.O. or the Board.

**PR401 What to Consider When Procuring Any Item with Grant Funding**

**Effective Date: 08/28/07**

**Revision Date: 04/15/08, 02/04/09, 04/07/10, 02/02/11, 05/19/11, 02/01/12, 12/04/13, 07/14/14, 09/17/14, 03/16/16, 12/07/16, 09/20/17, 06/15/22**

**What to Consider When Procuring Any Item with Grant Funding**

To assist in all of the requirements below, the Coalition uses the most current version of its own “Procurement Form” (kept with the Office Manager) for all grant funded procurements.

Before purchasing equipment or property, the Coalition will use federal excess and surplus property instead, whenever possible and if such activity helps reduce program/project costs [2 CFR Part 200.318(f)].

The following must be considered when procuring any item with grant funding:

1. All items to be procured must be necessary, and must not be duplicative.

2. Where applicable, an analysis must be made of lease and purchase alternatives to determine which would be the most economic and practical procurement.

3. Solicitations for goods and services must provide for all the following:

a) A clear and accurate description of the technical requirements for the material, product, or service to be procured. For competitive procurements, such a description shall not contain features which unduly restrict competition, such as;

(1) Placing unreasonable requirements on firms in order for them to qualify to do business;

(2) Requiring unnecessary experience and excessive bonding;

(3) Noncompetitive pricing practices between firms or between affiliated companies;

(4) Noncompetitive contracts to consultants that are on retainer contracts;

(5) Organizational conflicts of interest;

(6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and

(7) Any arbitrary action in the procurement process.

b) Requirements which the bidder must fulfill and all other factors to be used in evaluating bids and proposals.

c) A description, wherever practical, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

d) The specific features of “brand name or equal” descriptions that bidders are required to meet when such features are included in the solicitation.

e) The acceptance, to the extent practical and economically feasible, of products and services dimensioned in the metric system of measurement.

1. Preference, to the extent practical and economically feasible, for products that conserve natural resources and protect the environment and are energy efficient.
2. Preference, to the extent practical and economically feasible, for products that are American-made (per Department of Labor, Health and Human Services, and Education and related agencies Appropriations Act of 1995, and CCDF section 507, P.L. 103-333).

4. Positive efforts shall be made to utilize small business, minority-owned firms, and women’s business enterprises, whenever possible. This includes a request to bidders to identify whether subcontractors are of this dimension. (See “For All Grant Funded Procurement” below.)

5. Cost and price analysis must be made on all grant funded procurements and documented. Per 2 CFR Part 200.324, The Coalition will comply with applicable cost and price analysis requirements for procurement transactions:

1. Applies at federal level for purchases in excess of simplified acquisition threshold ($150,000)
2. Independent in-house estimates required before receiving bids or proposals
3. When applicable or required, negotiate profit as a separate element of price
4. Costs or prices are limited to allowable costs based on federal and state cost principles
5. Entity will not use the cost-plus-a-percentage-of-costs method of contracting.

6. Cost and Price Analysis - Purchase or Lease Decision.For equipment with a purchase price of over $5,000, a cost effectiveness analysis must be performed and documented by the Finance Manager, to ascertain which option is most cost effective for the Coalition, and therefore the best use of award funds. This analysis will be made available to the C.E.O. to assist with the final lease/buy decision.

7. **All related-party transactions** must be board approved. A related-party transaction is any transaction that involves the Coalition procuring goods or services from an entity that has been identified as being affiliated with any Coalition employee, board member, or a relative of either group (“relative” as defined by Section 112.3143(1) (b) F.S.), and a potential conflict of interest has been disclosed.

All public officer to disclose in advance (in writing) real and/or perceived voting conflicts and to abstain from any vote and from related purchasing/procurement discussions. “Public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body, such as the Coalition’s governing board.

As of July 1, 2013 and per Section 1002.84 (21) F.S., the following DEL prior approvals/notifications must be followed for related party transactions:

a) All contracts for $25,000 or more may not be executed without DEL prior approval and prescribed voting procedures (including must have 2/3 votes of the **ENTIRE** board – present or not) must be followed per the instructions of DEL Q and A - Requirements for DEL Prior Approval of Related Party Contracts September 16, 2013.

**During the board meeting, Coalition staff must disclose the following, and the minutes MUST reflect:**

That the contract is a “related party contract” and as such, the requirements are:

         Any related party has to disclose their conflict to the board and complete the conflict of interest form.

         The ELC notified the board of the ‘related party’ to the contract.

         As a conflict, the board member completed the form “8B”.  And if present, the board member is not allowed to have discussion or participate in the vote on the item (contract).

         Because this is a related party contract, the Coalition must have 2/3 vote (of the entire board) approval of the contract before the Coalition can send it to DEL for approval.

* That an individual vote was taken and how each board member voted.

         The contract will not be executed (signed by both parties) until the Coalition receives DEL approval.

         The minutes from the meeting will reflect that these requirements were disclosed to the board and will reflect the individual votes.

b) All contracts for less than $25,000 do not require DEL prior approval, but must to be submitted to DEL within 30 days of execution. However, the same voting procedures for contracts over $25,000 must be followed.

For more details on state statutory instructions, please refer to DEL’s Program Guidance, *Related Party Disclosures.*

For more details on the Coalition’s Conflict of Interest Policy, see policy **#OP203**.

8. Whenever applicable, the Coalition will comply with instructions for procurement of recovered materials [2 CFR Part 200.323].

9. Per F.S. 287.057 (14), “Contracts for commodities or contractual services may be renewed for a period that may not exceed 3 years or the term of the original contract, whichever is longer.”

*General rule* – Because ELCs are funded on an annual basis, an ELC’s contract periods/terms are typically limited to one year with three optional renewal years. This means the total possible years are four – per specific contract, before another procurement process would be required.

*Exceptions* – A few specific transactions may qualify for longer contract periods/terms. Two examples include leases for office space and leases for copiers/scanners, provided the ELC has adequate documentation to support this business decision (i.e., cost savings, best value, ability to obtain negotiated discount, etc.) Please contact DEL for more specific instructions. (Source: DEL instructions and training files; also, see DEL clarification e-mail 07/08/19)

**For All Grant Funded Procurements**

1. All new potential vendors must be checked on the following website (and annually thereafter) to ensure the vendor is not on the most current listing: <http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information/convicted_suspended_discriminatory_complaints_vendor_lists>.
2. [Florida Department of Management Services website](http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information/convicted_suspended_discriminatory_complaints_vendor_lists). This link helps identify vendors/contractors (located in Florida) that are banned from doing business with federal/state agencies. This link is included in the annual grant agreement and each Coalition is responsible for checking (and documenting the results) to make sure it does not purchase goods/services from an entity/individual on these lists. Documentation can include a print screen copy of this search by staff in its purchasing files. The [www.sam.gov/](http://www.sam.gov/) website is used to check vendors/contractors (located outside of Florida, such as internet based companies) that are banned from doing business with federal/state agencies.
3. All vendors must be checked against the most current USDA Food Program Disqualified List that is posted on DEL’s Share Point and documented.
4. At least one quote should be requested from a certified minority vendor, if available, by checking this website: <https://osd.dms.myflorida.com/directories>. If no certified minority vendor quote is included, documentation must be provided explaining why.
5. The procurement should be carried out using good purchasing practices with price, quality and other factors considered.
6. Comparisons from published catalogues or websites are allowable for written quotes.
7. Written documentation of verbal quotations are allowable when the name and address of the vendor is noted in the purchasing records.
8. Florida Statute 1002.83 (12) specifically prohibits the purchase of meals, food, or food related items using state, federal or local matching funds. Food related items include paper plates, napkins, utensils, cups, coffee filters, condiments or other items used when preparing or consuming a meal, food or beverage. These are allowable to the extent they are used for educational purposes (only) and not personal consumption.
9. **Membership dues, subscriptions and licensing fees.** The Coalition complies with the terms of s. 216.345, F.S., and 2 CFR §75.454, *Memberships, subscriptions, and professional activity costs*, when incurring costs related to paying membership dues, subscriptions and licensing fees.

The terms are that the payment information, which must contain a statement that

“The records of memberships, subscriptions or licenses for which the Coalition paid (records maintained at the Coalition) shall be public records pursuant to s. 119.01(3), F.S. This public records requirement applies only to the portion of activities of the organization(s) that pertain to the public federal/state grant programs the Coalition funded.” The organization paid must provide this statement (on payment/invoicing documents).

**Thresholds for Procurement Requirements**

1. Purchases with a value of BELOW $2,500 may include, but are not limited to, a minimum of one written quote or written record of a verbal quotation. *\*Reminder* – these purchases also require efforts to obtain a CMBE quote. If available, please obtain and include written support in files. If none is available, written documentation to state that and to identify efforts made to obtain the quote are still required.
2. Purchases between $2,501 and $15,000 require a minimum of two (2) written quotes OR written records of two (2) telephone quotations. *\*The reminder noted above in item #1 also applies.*
3. Purchases of value between $15,001 up to and including $35,000 require a minimum of three (3) written quotations or informal bids. *\*The reminder noted above in item #1 also applies.*
4. For amounts more than $35,000, a competitive, formal bid process is required. *\*The reminder noted above in item #1 also applies.*

Purchases cannot be split into individual amounts to avoid an expenditure limit or a threshold requirement.

**Authority to Procure Commodities and Services**

* The C.E.O. grants authority to procure small purchases (below ~~$2,500~~ $5,000) to the Office Manager.
* The C.E.O. partners with the Office Manager for procurements between ~~$2,501~~ $5,001 - $35,000.
* The C.E.O. partners with the Grants and Operations Manager for all formal procurements ($35,001 or more).

The Coalition strives to maintain adequate segregation of duties in purchasing and disbursement functions. These duties are assigned to Coalition staff as described here:

|  |  |  |
| --- | --- | --- |
| **Amount of Purchase** | **Required Approvals** | **Process** |
| Threshold 1: < up to $2,500 *aka small purchases* | Office Manager | 1 written quote or written record of a verbal quotation; also see notes 1, 2 |
| Threshold 2: $2,501 - $5,000 *aka informal solicitations* | Office Manager, *as delegated by C.E.O.* | (2) written quotes OR written records of two (2) telephone quotations; also see notes 1, 2 |
| Threshold 3: $5,001 - $15,000  *aka informal solicitations* | Office Manager/C.E.O.  - with governing board approval | (2) written quotes OR written records of two (2) telephone quotations; also see notes 1, 2 |
| Threshold 4: $15,001 - $35,000  *aka “other” purchases*  *under $20,000 = Category I* | Office Manager/C.E.O.  - with governing board approval | three (3) written quotations or informal bids; also see note 1, 2 |
| Threshold 5: $35,001 or more  *between $20,001 - $35,000 =*  *aka Category II* | Grants and Operations Manager/ C.E.O.  - with governing board approval | formal bid process; also see notes 1, 2 |
| *between $35,001 - $65,000 =*  *aka Category III* | Grants and Operations Manager/ C.E.O.  - with governing board approval | formal bid process/ competitive procurement; also see notes 1, 2  (RFP, ITB, ITN) |
| *between $65,000 - $195,000 =*  *aka Category IV* | Grants and Operations Manager/ C.E.O.  - with governing board approval  - with legal counsel review | formal bid process; also see notes 1, 2  - must have min. 3-person evaluation team |
| *between $195,001 - $325,000 =*  *aka Category V* | Grants and Operations Manager/ C.E.O.  - with governing board approval  - with legal counsel review  - with DEL’s prior approval | formal bid process; also see notes, 1,2  - must have min. 3-person evaluation team |
| *above $1M =*  *add’l requirements may apply* | Grants and Operations Manager/ C.E.O.  - with governing board approval  - with legal counsel review  - with DEL’s prior approval | formal bid process; also see notes 1, 2  - must have min. 3-person evaluation team |

\*Notes

1. These purchases also require efforts to obtain a CMBE quote. For more details, please see prior page and *Reminder* instructions provided.

2. Other documentation instructions form state purchasing rules (cost/price analysis requirements, PO and/or contract terms/conditions, SOW details, deliverables, financial consequences, etc.) also apply.

**Purchasing Authorization Levels (from policy #F301)**

1. The C.E.O. has authority to purchase unit items that are $5,000.00 or less.
2. Purchases $5,000.01 or more have to be approved by the Board of Directors.

Purchases cannot be split into individual amounts to avoid an expenditure limit.

**For Governing Board Review and Approval duties as well as Delegation of Authority, see policy #OP101.**

**For requisitioning/purchase order policy, see policy #F305.**

**PR402 Types of Procurements**

**Effective Date: 12/04/13 (separated from policy #PR401)**

**Revision Date: 12/04/13, 07/14/14, 12/07/16, 09/20/17, 06/15/22**

**Types of Procurement**

There are primary, allowed methods of procurement:

Micro Purchases, Small Purchases, Competitive Procurement, and Noncompetitive Procurement.

To determine the appropriate method of procurement to use, the following must be known:

* The services for which the contract will be awarded
* The funding sources of the contract, the amount of funds anticipated to be spent on the contract
* The type of provider (if possible), and the manner in which the amount of payment is determined.

**Basic Procedures for the Different Types of Procurement**

**Micro-Purchases**

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed $2,500\* (or $2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the Coalition considers the price to be reasonable. [2 CFR Part 200.320] However, the Coalition will comply with good purchasing practices per state purchasing guidance. (\**up to $2,500 for DEL transactions*).

### Small Purchases/Informal Solicitations

Small Purchases and/or informal solicitations are procurements of goods/contractual services costing less than or equal to $35,000. To the best extent, at least three proposals should be requested.

1. These purchases shall be carried out using written quotations or written records of telephone quotations or informal bids\* to be opened upon receipt, whenever practical. Should verbal quotations be received, the name and address of the company and the amount quoted shall be a part of the written quotation. If only one quotation is received, a written statement as to why more quotations were not received must be prepared and filed in the procurement file in order to document the provider selection.

\*An informal bid is submitted to a prospective customer in response to a request for bids. The bid itself is a written estimate of the cost to the customer to supply goods and/or services that the customer wants.

1. Written material documenting small purchase procedures must be maintained in the procurement file. At a minimum, the file must include the following: names of individuals taking part in the development or selection of criteria for evaluating persons or firms contacted, the date of contact, the prices or rates quoted, a statement as to why the quotation selected represents the most advantageous offer to the Coalition in terms of service and price, and a Conflict of Interest Statement from all individuals involved in making the procurement decisions.
2. The Coalition may create a “routine office supply list” for quotes, at the beginning of the fiscal year, and obtain several quotes to select one vendor to use throughout the year. Also, the Coalition should request a discount for any annual purchasing agreements.
3. The Coalition reserves the right to reject any and all quotes or offers, if deemed to be in its best interest.
4. Coalition officers, employees, and/or agents are prohibited from soliciting or accepting gratuities, favors, or anything of monetary value from vendors or potential vendor.
5. The Coalition sales tax exemption number is used for all Coalition purchases. In no case shall the Coalition sales tax exemption number or Coalition credit accounts with vendors be used for personal purchases.

**Competitive Procurement**

All purchases/contracts in excess of $35,000 that are not exempt under subsections 287.05(3)(f) or (g), F.S. must be competitively procured. This includes purchase transactions that could accumulate a cost of over $35,000 during the time period of each fiscal year or for the term of the agreement. The Coalition has three procedures for competitive procurement to ensure fair and open competition: The Request for Proposal (RFP), the Invitation to Bid (ITB), and the Invitation to Negotiate (ITN). If only one proposal is received under competitive procurement, then this proposal shall be viewed as non-competitive.

For purchases of contracted services that could accumulate a cost of over $35,000 during the period of a fiscal year, term contracts may be used to establish a vendor, at the beginning of the fiscal year, to utilize throughout the year. For a commodities contract (such as an educational or office supplies contract) the formal bid process would include a sample of the items that would possibly be purchased during the year.

**Noncompetitive Procurement**

For the Coalition’s purposes, there are four types of Noncompetitive Procurement. They are:

* State Term Contracts (s. 287.056 and 287.057 F.S.)
* Single Source (s. 287.057(3)(c), F. S.)
* Emergency (s. 287.057(3)(a), F. S.)
* Regulated Exempted Services (s. 287.057(3)(f), F.S.)

Exceptions to competitive procurement are provided in recognition of specific unusual and/or extraordinary situations. In these instances, the Coalition will document and justify noncompetitive procurement as described below.

*State Term Contracts*

If a vendor agrees to honor the terms and costs of a state contract for Coalition use, informal bids are not required. However, the details of this agreement must be documented in the contract/vendor file. State contracts may be accessed by visiting <http://www.dms.myflorida.com/contract_search/(ContractType)/4110>.

Whenever possible, the Coalition will use state and local inter-entity agreements to procure common or shared goods and services. [2 CFR Part 200.318(e)].

Florida Statute 287.056(2) states, “Agencies and eligible users may use a request for quote to obtain written pricing or services information from a state term contract vendor for commodities or contractual services available on state term contract from that vendor. The purpose of a request for quote is to determine whether a price, term, or condition more favorable to the agency or eligible user than that provided in the state term contract is available. If an agency issues a request for quote for contractual services for any contract with 25 approved vendors or fewer, the agency must issue a request for quote to all vendors approved to provide such contractual services. For any contract with more than 25 approved vendors, the agency must issue a request for quote to at least 25 of the vendors approved to provide such contractual services. Use of a request for quote does not constitute a decision or intended decision that is subject to protest under s. [120.57](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0120/Sections/0120.57.html)(3).” Per DEL email April 14, 2022 “State Term Contracts”, this process is only required if requesting quotes (RFQ’s) from multiple approved State Term Contract Vendors (not separate procurements).  Although the State has already completed many of the required procurement tasks for state term contractors on behalf of eligible users, other Other documentation instructions form state purchasing rules (cost/price analysis requirements, PO and/or contract terms/conditions, SOW details, deliverables, financial consequences, etc.) also apply.

**File Requirements for Sole Source (Single Source) or other Non-competitive Proposals** [45 CFR Parts 75.329(f) and 75.332; s. 216.3475, F.S.]

* Documentation of the Coalition’s determination criteria for a sole-sourced transaction.
  + The item is only available from one single source;
  + The public emergency precludes delay resulting from competitive solution (for example, a flood at a local ELC administrative office or large local service provider requires the immediate acquisition of additional services);
  + DEL or USDHHS gave prior written authorization for non-competitive proposals; and
  + After solicitation of a number of sources, competition is determined inadequate.
* Cost analysis, (i.e., verifying the proposed scope of work or goods/services data and the evaluation of the specific elements of costs and negotiating profit (if applicable)) is required. *Note: Grant rules state this is a mandatory task for sole source procurement. A cost/price analysis should be completed by staff prior to receiving any bid or fee information.*

*Single Source Procurement*

Single source procurement may be utilized if there is only one interested vendor or if conditions warrant negotiation on the best terms and conditions. Single source negotiation requires the approval of the C.E.O., and DEL approval if the amount of the contract exceeds the threshold amount provided in s. 287.017, F.S. for CATEGORY FOUR *($195,000*).

*Single Source Procurement PROCEDURES:*

Per s. 287.057(3)(c), F.S., when the Coalition believes that commodities or contractual services are available only from a single source, the Department of Education will assist the Coalition by doing the following:

1. Electronically post a description of the commodities or contractual services sought for a period of at least ten (10) business days. The description must include a request that prospective vendors provide information regarding their ability to supply the commodities or contractual services described.
2. If it is determined in writing by the Coalition, after reviewing any information received from prospective vendors, that the commodities or contractual services are available only from a single source, the Department of Education will assist the Coalition by doing the following:
3. [If the amount of the contract is less than the threshold amount provided in s. [287.017](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=287.057&URL=0200-0299/0287/Sections/0287.017.html) for CATEGORY FOUR *($195,000)*] provide notice of its intended decision to enter a single-source purchase contract in the manner specified in s. [120.57](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=287.057&URL=0100-0199/0120/Sections/0120.57.html)(3) (*posting of award and protest procedures*).
4. [If the amount of the contract exceeds the threshold amount provided in s. [287.017](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=287.057&URL=0200-0299/0287/Sections/0287.017.html) for CATEGORY FOUR *($195,000)*] request approval from DMS for the single-source purchase. The Department must initiate its request for approval via the procurement office on the required forms authorized by the department head or designee in a form prescribed by the DMS. The request may be electronically transmitted. The failure of DMS to approve or disapprove the DOE’s request for approval within 21 days after receiving such request shall constitute DMS approval. If DEL DMS approves the DOE’s request, the DOE must then provide notice of its intended decision to enter a single-source contract in the manner specified in s. [120.57](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=287.057&URL=0100-0199/0120/Sections/0120.57.html)(3) (*posting of award and protest procedures*).
5. For the procurement file, the Coalition will document the key decisions regarding the provider selection process to include:
6. Evidence to show why formal sealed competitive purchasing practices (RFP/ITB) were not practicable and/or in the best interest of the Coalition.
7. Evidence to show action taken to be competitive to the greatest extent possible.
8. Evidence showing reasons for selection of the provider to which the contract will be awarded.

*Emergency Procurement*

Emergency procurement may be made pursuant to Section 287.057(3)(a), Florida Statutes.

The procedures for requesting and processing an emergency contract are:

The Coalition will forward an e-mail to the Purchasing Office (Division of Early Learning) requesting approval to proceed with an emergency purchase. The e-mail shall contain the following information at a minimum:

1) Name of Vendor

2) Amount of Purchase

3) Detailed Explanation as follows:

* Request for approval to proceed with an emergency purchase
* Circumstances that created the emergency
* Identification of the danger to the public health, safety or welfare, or other

substantial loss to the state

* Description of efforts performed to obtain pricing from at least two vendors, or

description of the immediate increased danger that would result from such efforts

* Request for approval to proceed with an emergency purchase

Upon receipt of the above information, DEL will file Form PUR 7800, “Notice of Emergency Purchase,” within thirty (30) days after date of issuance of the emergency contract.

Note:

* Emergency contracts cannot be renewed as defined in Section 287.012(20), F.S.
* Emergency contracts need not be posted electronically or by any other means.

*Regulated Exempted Services Procurement*

Subsection 287.057(3(f), F.S., specifically exempts the services listed in 1 through 14 below from the competitive procurement process. Contracts for services and conditions included in the following list are still subject to all other provisions of Chapter 287, Florida Statutes.

1. Artistic Services. For the purposes of this subsection, the term “artistic services” does not include advertising or typesetting. As used in this subparagraph, the term “advertising” means the making of a representation in any form in connection with a trade, business, craft, or profession in order to promote the supply of commodities or services by the person promoting the commodities or contractual services.
2. Academic Program Reviews. If the fee for such services does not exceed $50,000
3. Lectures by Individuals.
4. Legal Services. Including attorney, paralegal, expert witness, appraisal, or mediator services.
5. Health Services.

a. Health services involving examination, diagnosis, treatment, prevention, medical consultation, or administration.

b. Beginning January 1, 2011, health services, including, but not limited to, substance abuse and mental health services, involving examination, diagnosis, treatment, prevention, or medical consultation, when such services are offered to eligible individuals participating in a specific program that qualifies multiple providers and uses a standard payment methodology. Reimbursement of administrative costs for providers of services purchased in this manner shall also be exempt. For purposes of this sub-subparagraph, “providers” means health professionals, health facilities, or organizations that deliver or arrange for the delivery of health services.

1. Services Provided by the Not-For-Profit to the Disabled. Services provided to persons with mental or physical disabilities by not-for-profit corporations that have obtained exemptions under the provisions of section 501(c)(3) of the United States Internal Revenue Code or when such services are governed by the provisions of Office of Management and Budget Circular A-122. However, in acquiring such services, the agency shall consider the ability of the vendor, past performance, willingness to meet time requirements, and price.
2. Medicaid services delivered to an eligible Medicaid recipient unless the agency is directed otherwise in law.
3. Family placement services.
4. Prevention Services. Prevention services related to mental health, including drug abuse prevention programs, child abuse prevention programs, and shelters for runaways, operated by not-for-profit corporations. However, in acquiring such services, the agency shall consider the ability of the vendor, past performance, willingness to meet time requirements, and price.
5. Training/Education Services. Training and education services provided to injured employees pursuant to subsection 440.491, F.S.
6. Contracts entered into pursuant to s. 337.11, F.S. (which lists “contracting authority of department; bids; emergency repairs, supplemental agreements, and change orders; combined design and construction contracts; progress payments; records; requirements of vehicle registration”).
7. Services or commodities provided by governmental agencies.
8. In addition, per Subsection 287.057(3)(g), F.S., continuing education events or programs that are offered to the general public and for which fees have been collected that pay all expenses associated with the event or program are exempt from requirements for competitive solicitation.
9. Prescriptive assistive devices for the purpose of medical, developmental or vocational rehabilitation of clients are exempt from solicitation requirements and must be procured pursuant to an established fee schedule or by any other method that ensures the best price for the state, taking into consideration the needs of the client. Prescriptive assistive devices include, but are not limited to, prosthetics, orthotics, and wheelchairs.

**PR601 Bidding Processes**

**Effective Date: 08/28/07**

**Revision Date: 02/04/09, 02/02/11, 12/04/13, 12/07/16, 08/07/19, 06/15/22**

**Basic Bidding Process**

1. For amounts over $35,000, a bid process is required. The Coalition may choose either of the following procurement methods in soliciting a contractor:

REQUEST FOR PROPOSALS (RFP) – used when:

* 1. the scope of work or the actual product/outcome can be generally defined;
  2. the scope of work or product/outcome could be provided in a variety of acceptable ways;
  3. the buyer seeks to balance price and quality to achieve the best value;
  4. awards my be either a fixed price or cost reimbursement basis;
  5. there are believed to be more than two vendors who can submit satisfactory offer;
  6. the buyer does not anticipate a need to revise the solicitation and proposals after initial receipt; and,
  7. negotiations are limited to those elements described in the vendor’s proposal.

INVITATION TO BID (ITB) – used when:

a. the requirement is well specified

1. the services contracted to be provided can be accurately detailed and broken

down into units of service

1. only cost will be used to select the contractor/provider

## INVITATION TO NEGOTIATE (ITN) – used when:

* 1. purchasing non-standard or customized products/services or systems;
  2. the scope of work or product/outcome could be provided in a variety of acceptable ways;
  3. contractor qualifications and the quality of the product/outcome to be delivered is more important than the price;
  4. responses may contain innovative solutions, which may otherwise not receive consideration;
  5. competitive negotiation is the best way to ensure price or services to match available contract funds or provide most efficient economical services;
  6. award is based on solution or approach, qualifications and/or price;
  7. limited availability of competition;
  8. there is “high” complexity to requirements and project/emphasis on technology;
  9. it’s not known if everything on the “wish list” will be within the budget, so negotiations will be needed; and,
  10. the service or commodity is mission critical for the buyer;

1. Formal solicitations are required to be advertised on the Florida Administrative Register website, and other appropriate state websites, as well as the Coalition website. When applicable, such process will be advertised in a local newspaper of general circulation. All competitive solicitations must be advertised a minimum of 10 calendar days prior to the opening of the responses to the solicitation.

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1. The RFP, ITB, or ITN shall be made available simultaneously to all vendors and will include a detailed description of the commodities or contractual services sought; the time and date for the receipt of proposals/bids/offers and of the public opening; and all contractual terms and conditions applicable to the procurement, including the criteria to be used in determining acceptability of the proposal/bid/offer.
2. If the Coalition contemplates renewal of the contract, that fact shall be stated in the RFP, ITB, or ITN.

Per F.S. 287.057 ~~(13)~~ (14), “Contracts for commodities or contractual services may be renewed for a period that may not exceed 3 years or the term of the original contract, whichever is longer.”

General rule – Because ELCs are funded on an annual basis, an ELC’s contract periods/terms are typically limited to one year with three optional renewal years. This means the total possible years are four – per specific contract, before another bid process would be required.

Exceptions – A few specific transactions may qualify for longer contract periods/terms. Two examples include leases for office space and leases for copiers/scanners, provided the ELC has adequate documentation to support this business decision (i.e., cost savings, best value, ability to obtain negotiated discount, etc.) Please contact DEL for more specific instructions. (Source: DEL instructions and training files; also, see DEL clarification e-mail 07/08/19)

1. The proposal/bid/offer shall include the price for each year for which the renewed.
2. Evaluation of proposals/bids/offers shall include consideration of the total cost for each year as submitted by the vendor. Criteria that were not set forth in the RFP, ITB, or ITN may not be used in determining acceptability of the proposal/bid/offer.
3. The Coalition will not use state or geographical preferences in the evaluation of bids or proposals except where federal statutes mandates or encourages it. [2 CFR Part 200.319(c)]
4. A taskforce composed, at a minimum, of three (3) Coalition members will evaluate the responses if an RFP or ITN is utilized. All reviewers sign a declaration indicating that no conflict of interest exists.
5. The contract shall be awarded with reasonable promptness by written notice to the responsible and responsive vendor that submits the highest scoring proposal, lowest responsive bid, or best offer to negotiate.
6. This proposal/bid/offer shall be determined in writing to meet the requirements and criteria set forth in the RFP, ITB, or ITN.
7. The Coalition reserves the right to reject any and all proposals/bids/offers, if deemed to be in its best interest.
8. Coalition officers, employees, and/or agents are prohibited from soliciting or accept gratuities, favors, or anything of monetary value from sub-recipients or potential sub-recipients.
9. When using an ITN and the contract value is in excess of $1 million in any fiscal year, at least one of the persons conducting negotiations must be certified as a Department of Management Services Certified Contract Negotiator. When using an ITN and the value of the contract is in excess of $10 million in any fiscal year, at least one of the persons conducting negotiations must be a Project Management Professional (PMP) as certified by the Project Management Institute.
10. When using and ITN, a written justification must be kept on file for five years stating why the ITN was a better option than and RFP or ITB.

**PR602 Procurement File Requirements**

**Effective Date: 12/07/16**

**Revision Date:**

**File Requirements for Small Purchases**

[45 CFR Part 75.439(b)(2); 45 CFR Part 75.302(b)(3)]

Files should include all of the following items:

* Prior approval for equipment purchases in excess of the $5,000 (the Coalition’s approved capitalization threshold)
* Documentation of small purchase transactions by one or more of the following items:
  1. Sales receipt
  2. Current catalogs
  3. Formal quote
* Files should indicate the Coalition obtained price or rate quotations from an adequate number of qualified sources:
  1. Documentation of written or telephone quotes
  2. Documentation should be adequate and the number of quotes obtained should be sufficient in accordance with the Coalition’s policies and procedures

**File Requirements for Bid and Competitive Proposals**

[45 CFR Part 75.329].

Procurement files should include all of the following items:

* Public notice
* Copy of RFP
  + Technical Requirements
  + Statement of Work
  + Cost Requirements
  + Evaluation Criteria
* Proposals Submitted
* Evaluation of Proposals
* Board Approval of Contracts (as applicable)
* Contract Negotiations *(if different than proposed price)*
* Award of contract to lowest bidder who met the technical requirements/specifications

**File Requirements for Professional Services**

[2 CFR part 200.459]

To help determine allowability of these costs, Coalition files should document:

* The nature and scope of the service rendered in relation to the service required;
* The need to contract for the service, considering the Coalition’s capability in the particular area;
* The past pattern of such costs, particularly in the years prior to Federal awards;
* The impact of Federal awards on the Coalition’s business (*i.e.,* what new problems have arisen), if applicable;
* Whether the decision is business-based and not made just because grant monies are available to fund the cost (instead of other Coalition revenues);
* If the service can be performed more economically by direct employment rather than contracting;
* The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities; and
* Adequacy of the contractual agreement for the service (*e.g.,* description of the service, estimate of time required, rate of compensation, and termination provisions).
* In addition, retainer fees must be supported by evidence of bona fide services available or rendered.

**Required Contents for Procurement Files**

[DMS State Purchasing Memos; State Purchasing, Ch. 60A-1, FAC, s. 216.3474, F.S.; FDOE Contract Training Manual]

1. Planning/procurement files must obtain/document the following elements:

* 1. Order Document/Purchase Order must have at least one written quote or written records of telephone quote;\*
  2. At least one quote should be from a CMBE or else document why this quote was not obtained; \*
  3. Cost analysis is required, since a competitive process won’t be used for most small dollar purchases;\*
  4. Rationale for method of procurement;
  5. Selection of contract type;
  6. Contractor selection or rejection; and
  7. The basis for the contract price.

2. Purchase Orders, Contracts or other Agreement Files must obtain/document the following elements:

1. Quantity, description, price, applicable payment terms, applicable discount(s), date of performance, transportation/shipping arrangements, and other pertinent information.
2. Additional ordering terms/disclosures, required regardless of the scoped goods/services.
3. Liquidated damages/financial consequences
4. Payment audit (records of costs will be available upon request)
5. Payment made after written “agency” acceptance
6. Payment timeframe – timely payments
7. Funding availability/annual appropriation
8. No lobbying
9. Public access/public records
10. Conduct of business – federal/state laws govern
11. Conflict of interest/related party activities
12. Confidentiality and safeguarding information
13. Other/additional terms may also apply based on scoped goods/services.
14. If credit card transactions occur all the standards noted here will still apply.

**PR901 Availability and Retention of Procurement Records**

**Effective Date: 11/04/15**

**Revision Date: 12/07/16**

**Availability of Procurement Records**

The Coalition shall, on request, make available for the Federal awarding agency or pass-through entity, pre-award review and procurement documents, such as requests for proposals, when any of the following conditions apply [2 CFR Part 200.325]:

* The process does not comply with the Coalition’s procurement standards
* The procurement is expected to exceed the small purchase threshold and is to be awarded without competition or only one bid is received
* The procurement exceeds the small purchase threshold and specifies a “name brand” product
* The proposed award exceeds the small purchase threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement.
* A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

**Retention of Procurement Records**

Procurement Files – Required Retention Instructions[2 CFR Parts 200.334 - .338]

* + 1. All records must be maintained for five (5) years after the impacted program year, if “closed.”
    2. Records retention schedules apply regardless of the physical format of Coalition records.
    3. Wherever practicable records should be collected, transmitted and/or stored in open and machine readable formats.
    4. Federal and state awarding agencies have the right to access any documents pertinent to federal/state awards.
    5. The Coalition shall comply with the records retention requirements in Florida. The General Records Schedule GS1-SL for State and Local Government Agencies is located at<http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>.

Also see Coalition Accounting and Financial Policies and Procedures policy **#F705**, Record Retention.

**OP203 Conflict of Interest**

**Effective Date: 08/05/09**

**Revision Date: 02/03/10, 04/07/10, 12/28/10, 02/02/11, 02/12/13, 06/17/15, 03/16/16, 12/07/16**

The Coalition’s Conflict of Interest Policy is a compilation of policies as it pertains to (but not limited to) each of three aspects of the Coalition’s business processes: Personnel, Accounting and Financial, and Procurement of Goods or Services. Annually, Coalition board members and employees are required to review, complete, and sign the Coalition’s Conflict of Interest Questionnaire.

**Personnel**

Employees and board representatives have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Coalition wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation.

The Coalition adheres to the highest legal and ethical standards applicable in our business. The Coalition business is conducted in strict observance of both the letter and the spirit of all applicable laws and the integrity of each employee are of the utmost importance.

Employees of the Coalition shall conduct their personal affairs in such a fashion that their duties and responsibilities to the Coalition are not jeopardized and/or legal questions do not arise with the respect to their association or work with the organization.

An actual or potential conflict of interest occurs when an employee or board representative is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of the Coalition's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which the Coalition does business, but also when an employee or relative receives bribes, substantial gifts, or special consideration, as a result of any transaction or business dealings involving the Coalition.

**Outside Employment/Conflict of Interest Questionnaire**

Employees may hold outside jobs as long as they meet the performance standards of their job with the Coalition. All employees will be judged by the same performance standards and will be subject to the Coalition's scheduling demands, regardless of any existing outside work requirements.

If the Coalition determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Coalition as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with the Coalition.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside the Coalition for materials produced or services rendered while performing their jobs with the Coalition.

Employees who have their own businesses must disclose such interest to the company in accordance with its conflicts of interest policy. Generally, the Coalition will not purchase from a business owned by one of its employees.

Each year, employees and board members must complete a conflict of interest questionnaire.

**Accounting and Financial**

**Introduction**

In the course of business, situations may arise in which the Coalition decision-maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All board members, the C.E.O., and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Coalition in dealing with outside entities or individuals,

2. Disclose real and apparent conflicts of interest to the Board of Directors, and

3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

**What Constitutes a Conflict of Interest?**

A potential conflict of interest arises when a board member, C.E.O. or employee involved in making a decision:

* Is, or has an immediate family member, or owns a business entity in a position to benefit (directly or indirectly) from his/her dealings with the Coalition or person conducting business with the Coalition.
* Has direct or indirect ownership of more than five (5) percent of the **total assets or capital stock**, cumulatively, of one or more of the proscribed sources of income. “Proscribed sources of income” are derived from interests in the design or delivery of the VPK or SR program.
* During the prior two (2) years, more than five (5) percent of the **gross income** of the coalition member, relative, or owned business entity was derived, cumulatively, from one or more proscribed sources of income.

*(For more information please refer to paragraphs (1)(d) 1. and 2. and (e) of Florida Administrative Code 6M-9.110 “Requirements and Criteria for Early Learning Coalition Composition” dated 03/29/15)*.

**The Coalition defines an “Immediate Family Member” the same as Florida Statute defines “relative” in the next section.**

**Voting Conflicts Florida Statue s. 112.3143(1)(c) defines “Relative”** **as**:

any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

Examples of conflicts of interest include, but are not limited to, situations in which a board member, the C.E.O., or an employee:

1. Negotiates or approves a contract, purchase/sale, or lease on behalf of the Coalition and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;

2. Employs or approves the employment of, or supervises a person who is an immediate family member of a board member, C.E.O., or employee;

3. Sells products or services in competition with the Coalition;

4. Uses the Coalition’s facilities, other assets, employees, or other resources for personal gain;

5. Receives a substantial gift from a vendor, if the board of Directors, C.E.O., or employee is responsible for initiating or approving purchases from that vendor.

**Procurement of Goods or Services**

**Conflict of Interest**

Conflict of interest refers to actions or decisions that are not in the best interests of the Coalition. These may include, but are not limited to:

1. Performing non-company work during regular work hours.
2. Use of company techniques, materials, equipment, supplies and/or employees for personal or non-company reasons or projects.
3. Involvement in agreements or contracts with suppliers, vendors, job applicants, etc., which result in personal financial gain, reward, special status or personal favors.
4. Using the employee’s, board member, or Coalition agent’s position with the Coalition to enhance your own position, status or financial gain at the expense of, or to the detriment of the Coalition.
5. Officers, employees, and agents soliciting or accepting gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, acceptable situations are those in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. *Reference 2 CFR Part 200.318 (c)(1).*
6. Organizational conflicts of interest that occur because of relationships with a parent, affiliate or subsidiary organization. Due to interconnected nature of program operations, processes, and benchmarks, a non-Federal entity like DEL is unable (or may appear to be unable) to operate on an independent or impartial basis in conducting a procurement action involving a related organization, such as an ELC or other DEL sub-recipient. *Reference 2 CFR Part 200.318(c)(2).*

If the employee, board member, or Coalition agent is not sure about a situation, it is their responsibility to talk with the C.E.O. to clarify their role and the Coalition's position regarding their situation. Where conflict of interest is clearly present, it is the employee’s, board member’s, or Coalition agent’s responsibility to act in the best interests of the Coalition in handling the situation and to report the resolution of the problem to management.

For more details on requirements for Related Party activities and Voting Conflicts, please see Coalition policy **#PR401.**

**Disclosure Requirements**

The board member, C.E.O. or employee who believes that he/she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure [2 CFR Part 200.112, 200.318(c)(2) and s. 1002.84(21), F.S.].

Therefore, the Coalition requires the following:

1. On an annual basis, all members of the Board of Directors, the C.E.O., and employees with purchasing and/or hiring responsibilities or authority shall inform, in writing, the C.E.O. and the chair of the Board of Directors, of all reportable conflicts.

2. Prior to the preparation of the disclosure statements, the accounting department shall distribute a list of all vendors with whom the Coalition has transacted business at any time during the preceding year, along with a copy of the disclosure statement, to be completed by the first Board meeting of each fiscal year. In addition, each person completing the disclosure statement will be asked to list the names of all businesses that he/she (or any member of her/his immediate family) are affiliated with, that it is possible the Coalition may consider for future business dealings.

3. The C.E.O. shall review all forms completed by employees, and the Executive/Administrative Committee shall review all forms completed by Board of Directors and the C.E.O., and determine appropriate resolution in accordance with the next section of this policy, if applicable.

4. If a conflict arises during the year, the employee or board member will immediately notify the C.E.O. who will determine appropriate resolution.

**Resolution of Conflicts of Interest**

All real or apparent conflicts of interest shall be disclosed to the Executive/Administrative Committee and the C.E.O. of the Coalition. Conflicts shall be resolved as follows:

* The C.E.O. shall be responsible for making all decisions concerning resolutions of conflicts involving employees, subject to the approval of the Executive/Administrative Committee.
* The Executive/Administrative Committee shall be responsible for making all decisions concerning resolutions of conflicts involving the C.E.O. and other members of the board.
* The chair of the committee shall be responsible for making all decisions concerning resolutions of conflicts involving the Executive/Administrative Committee members.
* The full board shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Executive/Administrative Committee.

The Board of Directors, C.E.O., or Coalition employees may appeal the decision that a conflict (or appearance of conflict) exists as follows:

* An appeal must be directed to the chair of the board
* Appeals must be made within 30 calendar days of the initial determination
* Resolution of the appeal shall be made by vote of the full Board of Directors
* Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the board

**Disciplinary Action for Violations of this Policy**

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Coalition or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.

2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.

3. Against any board member or C.E.O. who attempts to retaliate, directly or indirectly, or encourages others to do so against any employee who reports a violation of this policy.

A board member who violates this policy will be removed from the board.

For more details on state statutory instructions, please refer to DEL’s Program Guidance, *Related Party Disclosures.*

For more information on conflicts of interest:

* See the Florida Commission on Ethics *Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees.*
* See the Florida Commission on Ethics *Overview of Laws relating to Gifts.*
* See the Florida Commission on Ethics *Overview of Laws relating to Honoraria.*
* See DEL’s Uniform Guidance 2 CFR Part 200, Policy updates for Conflicts of Interest

**Early Learning Coalition of North Florida, Inc.**

Employee and Board Member

**Conflict of Interest Questionnaire**

Each year, employees and board members must complete a conflict of interest questionnaire.

At the Early Learning Coalition, our reputation for integrity is one of our most valuable assets and is directly affected by the conduct of our employees. For this reason, employees and Board members must not use their position for private gain, to advance their personal interests, or to obtain favors or benefits for themselves, members of their immediate families\*, or any other individuals or business entities. This includes Board members abstaining from voting on a matter when an item is presented for a vote that will directly affect that Board member, his/her employees, or another organization the Board member is involved with. The following **questions** are designed to protect you as an employee or a Board member of the Early Learning Coalition, and to comply with the federal and state mandates under which we operate. We appreciate your cooperation in completing this form.

*Employees Only:*

Are you currently employed with another employer other than the Early Learning Coalition? If yes, please list each employer, as well as the days and the hours that you are scheduled to work.

*Employees* ***and*** *Board Members:*

1. **Are you** related to any of the current employees of the Early Learning Coalition? If yes, list each relative’s name and his/her relationship to you.
2. **Are you** related to any of our providers who utilize any of our services? If yes, please list the provider’s business name(s) here:
3. **Are you**, or any member of your immediate family, related to any of the vendors listed on the attached vendor list? If so, please list the name(s) of the vendor(s) here:
4. **Please list** the names of all businesses that you, or any member of your immediate family, are affiliated with, that it is possible the Coalition may consider for future business dealings:
5. **Do you** own your own business? If yes, please provide the name, address, and nature of your business.

**I understand that by signing this form:**

* I will abide by these guidelines and all aspects of the **Coalition’s Conflict of Interest Policy, #OP203**.
* I have reviewed the annual list of current Coalition vendors for any potential conflict of interest, and have no potential conflict of interest to report.
* I have listed all business organizations that I, or any member of my immediate family, am affiliated with that would cause a conflict of interest when participating in future Coalition business decisions.

Name and Title (please print) Signature Date

\* see definition of “Immediate Family” in Policy #OP203

## F106 POLICY ON SUSPECTED MISCONDUCT

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###### Effective Date: 08/28/07

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#### Introduction

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees and volunteers.

Like all organizations, the Coalition faces many risks associated with fraud, abuse, and other forms of misconduct. The impact of these acts collectively referred to as misconduct throughout this policy, may include, but not be limited to:

* Financial losses and liabilities
* Loss of current and future revenue and customers
* Negative publicity and damage to the Coalition’s good public image
* Loss of employees and difficulty in attracting new personnel
* Deterioration of employee ~~morale~~ health and welfare
* Harm to relationships with clients, vendors, bankers, and subcontractors
* Litigation and related costs of investigations, etc.

Our Coalition is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee and volunteer at all levels of the Coalition.

#### Definitions

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate the Coalition’s Code of Conduct (and any underlying policies) or any of the accounting and financial policies included in this manual

2. Fraud (see below)

3. Forgery or alteration of checks, bank drafts, documents or other records (including electronic records)

4. Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the Federal government or by the Coalition in connection with this policy

5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Coalition

6. Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel or other resources

7. Acts that violate Federal, state, or local laws or regulations

8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the Coalition.

9. Impropriety of the handling or reporting of money in financial transactions.

10. Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

* Theft, embezzlement, or other misappropriation of assets (including assets of or intended for the Coalition, as well as those of our clients, subcontractors, vendors, contractors, suppliers, and others with whom the Coalition has a business relationship)
* Intentional misstatements in the Coalition’s records, including intentional misstatements of accounting records or financial statements
* Authorizing or receiving payment for goods not received or services not performed
* Authorizing or receiving payments for hours not worked
* Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, receiving reports

The Coalition has this zero tolerance policy regarding fraud and prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers and others responsible for carrying out the Coalition’s activities. (Also see the Coalition’s most current Anti-Fraud Plan.)

#### Reporting Responsibilities

Every employee, officer, and volunteer is responsible for immediately reporting suspected misconduct or fraud to the C.E.O., or the Chair of the Board of Directors. When the C.E.O. has received a report of suspected misconduct, they must immediately report such acts to the Board Chair.

**Mandatory Reporting of Fraud and Criminal Activity**

All Coalition and sub-recipient/subcontractor staff is responsible for identifying violations that may potentially affect a federal award. As stated above (Reporting Responsibilities), all staff are ALSO responsible for immediately notifying the C.E.O. or the Chair of the Board of Directors of the identified violation(s).

In accordance with 2 CFR §200.113, *Mandatory disclosures*, the Coalition and its approved subcontractors must disclose in a timely manner\* to the Division of Early Learning all violations involving fraud, bribery or gratuity violations potentially affecting the DEL Grant Agreement and/or the related federal/grant program(s). *(\*A “timely manner” is defined by the nature of the violation. See “Reporting to Outside Parties” below.)*

Under 2 CFR 200.113, the Coalition must notify a Federal awarding agency of pass-through entity of a “violation” of Federal criminal law, and not just when an arrest, indictment, or conviction has occurred.

Per 52.203-13 FAR (Federal Acquisition Regulation) it is mandatory that the Coalition disclose (in writing) to the Office(s) of Inspector General (OIG) whenever there is “credible evidence” of; (a) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or (b) Civil False Claims Act violations. Credible evidence indicates a “higher standard” than a “reasonable grounds to believe” standard. Failure to disclose these violations, as well as failure to disclose “significant overpayments” by the Government, will constitute grounds for suspension and/or debarment. The Coalition will timely disclose, in writing, to the agencies (OIG), with a copy to the Contracting Officer, whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder.

Non-Federal entities that have received a Federal award are required to report certain civil, criminal, or administrative proceedings to SAM (System for Award Management). Failure to make required disclosures can result in any of the remedies described in 2 CFR §200.339 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.) *Also see Coalition Conflict of Interest Policy #OP203.*

These disclosure requirements apply to contracts and subcontracts valued at more than $5 Million and with a performance period of at least 120 days (*Reference FAR 3.1004*). As each of the Coalition’s School Readiness and Voluntary Prekindergarten programs qualify under this definition, identified violation(s) related to these two programs MUST be reported. In addition, these reporting requirements apply throughout the five (5) year records retention period after program award closeout/final payment(s).

The C.E.O. or the Board Chair is then responsible for notifying the USDHHS OIG and/or DEL’s OIG of the violation(s). This notification will be in writing using the prescribed method of each entity. DEL instructions for submitting required “report” information can be found online on DEL’s OIG page at <http://www.floridaearlylearning.com/about_us/office_of_inspector_general.aspx> and/or the Grant award reference materials posted to the SharePoint Coalition Zone.

These requirements could potentially present legal consequences for the Coalition, therefore it advisable that legal counsel is involved.

**Whistleblower Protection**

The Coalition will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A “reporting individual” is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a Federal offense.

Criteria for complying with the Sarbanes-Oxley Act include but are not limited to the following:

* It is illegal for any corporate entity to punish whistleblowers or retaliate against any employee who reports suspected cases of fraud or abuse (SOX, Section 1107, Section 1513 of Title 18, USC); and
* It is a crime to alter, cover up, falsify, or destroy any documents that may be relevant to an official investigation (SOX Section 1102, section 1512 of Title 18, USC)

#### Investigative Responsibilities

Due to the sensitive nature of suspected misconduct, Coalition employees should not, under any circumstances, perform any investigative procedures.

The Executive/Administrative Committee has the primary responsibility for investigating suspected misconduct involving employees below the C.E.O. The Executive/Administrative Committee shall provide a summary of all investigative work to the Board of Directors.

The Executive/Administrative Committee has the primary responsibility for investigating suspected misconduct involving the C.E.O., as well as board members and officers. However, the Executive/Administrative Committee may request the assistance of the Finance Manager in any such investigation.

Investigation into suspected misconduct will be performed without regard to the suspected individual’s position, length of service, or relationship with the Coalition.

In fulfilling its investigative responsibilities, the Executive/Administrative Committee shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

Members of the Executive/Administrative Committee shall have free and unrestricted access to all the Coalition records and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

The existence, the status or results of investigations into suspected misconduct shall not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

**Protection of Records – Federal Matters**

The Coalition prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Violations of this policy will be considered a violation of the Coalition’s Code of Ethics and subject to the investigative, reporting, and disclosure procedures described earlier in this policy on Suspected Misconduct.

#### Disciplinary Action

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be coordinated with appropriate representatives from the Board of Directors, and C.E.O. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

* Reprimand
* Probation
* Suspension
* Demotion
* Termination
* Reimbursement of losses or damages
* Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind the Coalition to follow any particular action.

## Confidentiality

# The Executive/Administrative Committee and the C.E.O. treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the C.E.O. or the Executive/Administrative Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section above).

# Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Coalition from potential civil liability.

An employee who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive/Administrative Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is “I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.

2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Coalition’s legal counsel or the Executive/Administrative Committee.

#### Disclosure to Outside Parties

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by the Coalition to aid in an investigation).

However, all known frauds involving the C.E.O., or members of the Board of Directors, as well as all material frauds involving employees below the C.E.O., shall be disclosed by the Executive/Administrative Committee to the Coalition’s external auditors, as well as all other mandatory reporting as described below, “Reporting to Outside Parties”.

**Reporting to Outside Parties**

Once the Coalition has received information that would lead to suspicion or confirmation of any violation(s) of this policy, it is the Coalition’s duty to report to outside parties as follows:

1. Any activity or incident that poses a danger to the health, safety, or welfare of any individual should be reported immediately to local law enforcement and/or emergency response personnel.
2. Any allegations, those judged to be of an emergency nature, those receiving public exposure, and those related to suspicions should be reported immediately to the USDHHS OIG and/or DEL’s OIG.
3. When the nature of the violation is related to parents or legal guardians of children enrolled in the School Readiness or VPK programs, in the provision of and payment for those services, the fraud referral must be processed following instructions and time frames of the Coalition’s Fraud Prevention Plan and by submitting fraud referrals through the online DEL Fraud Referral System (FRS).

The Inspector General of the Division of Early Learning is the designated coordinator of all suspected fraud referrals to the Florida Department of Law Enforcement, Public Assistance Fraud Unit. Coalitions are responsible for immediately reporting to DEL Office of Inspector General and the Florida Department of Law Enforcement Public Assistance Fraud Unit all such actual or suspected violations uncovered by, or reported to the Coalition.

###### F705 RECORD RETENTION

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#### Policy

The Coalition shall document activities related to SR and VPK implementation, including administrative and reporting responsibilities. Documentation shall be sufficient for an audit trail and compliance with federal regulation 2 CFR §200.333, *Retention requirements for records*. The Coalition shall maintain written or electronic documentation of transaction files, policies, processes, controls and other detailed supporting records that the Coalition submits per DEL instructions and makes available for review upon request. **The Coalition requires that its sub-recipients and subcontractors follow these same terms and conditions.**

**Referenced Policies and Guidance**

**Division of Early Learning (DEL) Documents:**

DEL Grant Agreement Exhibit II Section C item 6.2, *Management of Child Care Placements*

DEL Grant Agreement Exhibit II Section C item 6.3, *Notification of Disenrollment*

SR provider contract Section VII, *Compensation and Funding*

DEL Grant Agreement Exhibit II, Section C item 3.4

DEL Grant Agreement Exhibit II, Section F, item 1.6

DEL Grant agreement, Exhibit II, Section C Manner of service provision, item 3

DEL’s Program Guidance 101.02, *Records Confidentiality*

DEL IT Security Policies and Procedures (*Program Guidance 300.01 IT Security Manual)*

DEL’s Data Security Agreement

*DEL’s OIG page at* [*http://www.floridaearlylearning.com/about\_us/office\_of\_inspector\_general.aspx*](http://www.floridaearlylearning.com/about_us/office_of_inspector_general.aspx)

DEL Grant Agreement, Exhibit II, Section D, item 6, *Performance Reporting*

DEL Grant Agreement, Exhibit VI, *Listing of Reports*

DEL Grant Agreement, Exhibit III

DEL OIG Guidance OEL-IG-12-001, *Audit and Audit Resolution Responsibilities*

*(Note: Please find these referenced documents/regulations in the “Referenced Documents-Regulations” folder in the “Policies and Procedures” folder located in the Coalition “Company Share” drive. Contact the Coalition Grants and Operations Manager should there be any difficulty in finding a document or regulation.)*

**ELC of North Florida Policies:**

**F106 –** Accounting and Financial Policies and Procedures, Suspected Misconduct

**F702 –** Accounting and Financial Policies and Procedures, Annual Audit

**HR204 –** Personnel Policies and Procedures Manual, Employment Reference/Criminal History Checks

**IT101 –** Information Technology Systems and Security Policies and Procedures, General Scope

**IT303 –** Information Technology Systems and Security Policies and Procedures, Access and Security

**OP201** – Operational Policies and Procedures Manual,Confidentiality Policy

**OP203** – Operational Policies and Procedures Manual, Conflict of Interest

**OP204 –** Operational Policies and Procedures Manual**,** Public Records Request

**PR901** - Availability and Retention of Procurement Records

*(Note: Please find these in the “Policies and Procedures” folder located in the Coalition “Company Share” drive. Contact the Coalition Grants and Operations Manager should there be any difficulty in finding a policy.)*

The formal records retention policy of the Coalition is as follows:

**Permanent Files**

Audit reports

Chart of Accounts

Contracts, mortgages, notes and leases still in effect

Correspondence on legal and important matters only

Deeds, mortgages and bills of sales

Depreciation schedules

Financial statements-Year End

General ledgers/year end trial balance

Insurance records (policies, claims, etc.)

Journals

Articles of Incorporation, bylaws and charters, board meeting minutes

Property records

Retirement and pension records

Tax returns and worksheets, examination reports, and other documents relating to determination of

income tax liability

Trademark registrations and copyrights

Training manuals (Coalition-created only)

**All Other Coalition Records (non-permanent records)**

All other (non-permanent) Coalition records are maintained for seven (7) fiscal years. This includes all DEL Reporting Deliverables as listed in the DEL Grant Agreement Exhibit VI *Listing of Reports*, all (sub-recipient/subcontractor) performance monitoring deliverables as listed in the DEL Grant Agreement Exhibit II, Section D, item 6 *Performance Reporting*, and all closed procurement records.

**Record Retention Requirements and Exceptions**

All records must be maintained for *at least* five (5) years from the date of the last document filed for the period. For consistency, the Coalition maintains all non-permanent records for seven (7) years.

There are two exceptions:

1. If there is any litigation, audit, claim, negotiation, or other action that started before the expiration of the period. In that case, the records must be retained until resolution of all issues or until the end of the period, whichever is later.
2. If a sub-recipient/subcontractor chooses NOT to retain records longer than the minimum required by applicable law/regulation. (For example, the Coalition retains ALL non-permanent records for seven (7) years for simplicity although some records only require a five (5) year retention period.)

**Coalition Record Destruction**

The Coalition retains records as required by law and destroys them when appropriate. The destruction of records must be approved by the C.E.O., and logged into the Coalition’s Destroyed Records Log.

**Sub-recipient/Subcontractor Record Retention Requirements**

All sub-recipient/subcontractor records must be maintained for *at least* five (5) years from the date of the last document filed for the period, and have the same requirements as the Coalition that are stated in this policy.

Records retained for client services related to enrollment/intake (aka Resource and Referral services) would include:

* Family Portal Account Information
* Child Care application and authorizations (referrals)
* DCF At-risk referral form (if applicable)
* DEL At-risk Domestic Violence Center/Homeless Program referral form (if applicable)
* Immunization records, family income data, purpose of care plan
* ELC-issued child care

Records retained for child eligibility, management of child care placements, and disenrollment:

* Eligibility record requirements are listed in the DEL Grant agreement, Exhibit II Section C item 6.1, *Child Eligibility.*
* Management of child care placement record requirements are listed in the DEL Grant agreement, Exhibit II Section C item 6.2, *Management of child care placements*.
* Disenrollment record requirements are listed in the DEL Grant agreement, Exhibit II Section C item 6.3 *Notification of disenrollment*.

Records retained for attendance and enrollment:

* ELC-issued child care certificate with defined/approved care level
* Enrollment and attendance certification
* Includes sign-in and sign-out documentation, VPK-03S or 03L forms, etc.
* Documentation to support excused absences
* Rilya Wilson Act requirements for at-risk children
* Proof of parent co-payments

Record retention requirements for provider payments, provider payment reconciliations, and improper payments are listed in the statewide SR provider contract Section VII, *Compensation and Funding*.