

Procedure:  <b>SRC Resolutions and LCAs</b>	Policy: <b>Allowable Uses of Funds and Adherence to Cost Circulars</b>		Number: <b>GP0800.2</b>
	( ) Complete Revision ( ) Partial Revision ( X ) New	Supersedes:	Page: <b>Page 1 of 11</b>

## Overview of Procedure

Wherever the District identifies the need to use District funds to hire a contractor with expertise in a particular area (examples below), the Grant Program manager (GPM) or other initiating personnel must prepare either a standard contract or a limited contract.

Examples of contracted services include:

- Professional development for teachers.
- A consultant for a school or administrative office.
- An artist for an artist-in-residence program at a school or a presenter, such as a speaker or a dance ensemble, at an assembly.
- Any kind of program for students, such as a violence prevention program.

Under state law, the District can enter into a contract only if it is authorized to do so by the School Reform Commission (SRC). The SRC has in place two methods of authorization.

- The first is through the resolution process. That process must be followed for all contracts for an amount of \$20,000 or over (**standard contracts**).
- The second process is for smaller contracts – those up to and including \$20,000 (**limited contract authority or LCAs**). Instead of needing a resolution for each contract for under \$20,000, the SRC authorizes a Limited Contract Review (LCR) Committee to evaluate and approve those contracts.

The full amount of the resolution must be encumbered in the Advantage system in order to be approved by the Office of Management and Budget even if the contract amount is less than the resolution amount. The resolution amount is the “not to exceed” amount authorized by the SRC and is, therefore, the maximum potential liability of the initiative indicated in the resolution. Not encumbering the full potential liability diminishes the purpose of encumbering funds.

The School Reform Commission or the Limited Contract Review Committee must authorize the contract before a vendor starts to work for the District. Without a valid contract there is no way to ensure that the District will get what it pays for or that it will be able to take appropriate legal action against the vendor if something goes wrong. Further, the District’s Accounts Payable department will not pay a contractor unless there is a signed contract between the contractor and the District.

Regarding the acceptance of grant funds, the SRC requires that all grants over \$20,000 be formally accepted, which is consistent with Pennsylvania Statute, Title 24, 2-216. Grant awards of \$20,000 or under do not require an SRC Resolution as the SRC has provided blanket authority for their acceptance.

See the SDP website listing the various policies and procedures on the General Counsel’s web site related to *contracts* and *LCAs* which includes a detailed handbook.

Specific federal provisions regarding competition and other provisions must be followed. See the policies *GP1600 Procurement Using Grant Funds*, *GP1700 Contracted Services for Grant Funded Programs*, and *GP1800 Suspended, Disqualified or Debarred Vendors to be Paid with Grant Funds*.

**Grant Program Managers** (GPMs) are responsible for ensuring that LCAs and SRC Resolutions are consistent with the terms of the grant agreement, the services being acquired are grant eligible and that the vendor(s) have been checked against District and Commonwealth Debarment lists, and the LCAs and Resolutions are fully encumbered. For federal funds, the GPM must ensure the proposed purchase is necessary, reasonable, and allocable, that no federal grant requirements are being violated (e.g., Supplement Not Supplant, etc.), and that the vendor(s) have been checked against the federal *Excluded Parties List System (ELPS)* for Debarment. No contracts can be entered into with vendors appearing on any of those lists. In addition, GPMs and school Principals must adhere to federal grant requirements regarding competitive selection. Managerial controls have been established as listed below to help ensure the proper administration of LCAs and Resolutions, organized in two areas:

1. Procedure for processing Limited Contracts (LCAs).
2. Procedure for processing SRC Resolutions.

**Procedure Steps**

**1. Procedure for processing Limited Contracts (LCAs).**

The Grant Compliance Office (GCO) has standing membership on the LCA Committee comprised of select District personnel who review LCAs requested by managers in the central office and by principals in schools. The LCA Committee meets every Tuesday to review pending requests. The LCA Committee has the authority to approve, reject, or question LCA requests and, if applicable, cause their modification. The SRC chairs the LCA Committee and manages the LCA process.

RESPONSIBLE POSITION	Step	ACTION TAKEN
GPMs / Schools	1	Make LCA requests per the policy and procedures located on the <i>General Counsel's</i> web site. LCAs using grant funds must followed competitive selection requirements to be documented electronically and signed using the <i>Grant Quotation form</i> .  Enter an encumbrance in the Advantage system and move it to the "Pend 3" approval level.
GCO	2	On Friday the agenda for the LCA Committee meeting and electronic copies of the pending LCAs are delivered to the GCO.  The Executive Director of the GCO reviews the contracts presented.
GCO	3	Confirms the use of grant funds are legitimate expenditures based on the grant awards and using the criterion of necessary, reasonable, and allocable.  Confirms the Grant Quotation form is completed as required and that the LCAs propose legitimate uses of funds per compliance regulations.  The GCO Executive Director attends the LCA Committee meeting on behalf of OGDC.

RESPONSIBLE POSITION	Step	ACTION TAKEN
GCO	4	If the proposed LCA is grant compliant, the GCO Executive Director approves the LCA.  If the LCA is deemed non-compliant, it is rejected and returned to the originating office with questions, concerns, or instructions.
GPM	5	If the LCA has been rejected, the GPM is able to cure the defect and re-submit the LCA to the Committee.  If the LCA has been fully approved, provide a copy of the approved documentation to the Budget Operations Assistant (BOA) in the Office of Management and Budget to approve the encumbrance at the "Pend 3" level.
BOA	6	Ensure that the encumbrance amount is for the full amount on the LCA, and approve the encumbrance at the "Pend 3" level.

**Grant Quotation Form**

The Grant Quotation form is designed to document that vendors selected for federally funded low dollar purchases were selected pursuant to 2 CFR Part 200.319 which requires price / rate quotations from an adequate number of qualified sources. The quotations and form shall be completed and signed electronically and attached to the LCA request (if a service of \$20,000 or less), or uploaded as an attachment in the On-Line Resolution System (if a service greater than \$20,000 up to \$100,000).

The new Uniform Grant Guidance make two significant changes that impact SDP procurement practices:

1. A new policy for "micro-purchases" has been implemented (2 CFR 300.320) for goods and services under \$3,000. Such purchases are not required to undergo a competitive selection process if the Office of Grant Development and Compliance considers the price quote reasonable.
2. The threshold for small purchases using federal funds has been raised from under \$100,000 to under \$150,000. Small purchases under federal rules (2 CFR 200.320) do not require a formal competitive selection process, but less formal competitive selection procedures. However, the School District of Philadelphia informally requires all purchases of \$100,000 or more to be procured through a formal competitive process. Therefore, federal funds will continue to adhere to the more restrictive SDP threshold.

Below is a description of the content required in each lettered section and a sample of the blank form. The acronym "GPM" below refers to either the Grant Program Manager or school Principal.

**Contents**

The lettered sections on the Form are as follows:

- (A) Good / Service Category – Check the appropriate box to indicate the type of grant funded purchase and threshold to determine the type and quantity of quotes/bids. Good purchases of \$25,000 or greater are managed by the Office of Procurement Services through the Invitation to Bid (ITB) process. Service procurements of \$100,000 or greater must be competitively procured through a process managed by the Office of Procurement Services. Responsible person to complete: GPM.
- (B) Good / Service Description – Responsible person to complete: GPM.
- (C) Grant Name – Responsible person to complete: GPM.
- (D) ABC Code – Responsible person to complete: GPM.
- (E) Advantage Document Number – The unique number in Advantage Financial for the purchase. Responsible person to complete: GPM.
- (F) Selection Criteria – Describe the criteria to be used for vendor selection. Criteria could be, for example, one or more of the following: knowledge, skills, and abilities of the vendor; hourly rate; availability, etc. Responsible person to complete: GPM.
- (G) Date – Enter the date that each vendor was contacted. Responsible person to complete: GPM.
- (H) Company/Contact/Name/Contact Number – Enter for each vendor contacted. Responsible person to complete: GPM.
- (I) Amount Quoted – Indicate the dollar amount of the quote. May be a fixed rate dollar amount for the services, or an hourly rate, etc. Responsible person to complete: GPM.
- (J) Recommended Quote From – Name the proposed vendor. Responsible person to complete: GPM.
- (K) For an Amount of – Indicate the not to exceed dollar amount. Responsible person to complete: GPM.
- (L) Debarment Status – For federal funds, verifies that the vendor has been checked against the federal Excluded Parties List (EPL) and verifies that the vendor selected has not been debarred. Responsible person to complete: GPM.
- (M) Justification – Indicate the justification for the vendor selected. Should be based on the stated selection criteria. Responsible person to complete: GPM.
- (N) Grant Compliance Office Comments – For any relevant comments regarding why approved, and more importantly, the deficiencies as to why the procurement is rejected to guide the GPM towards a path for correcting the deficiency. Responsible person to complete: Director, GCO.
- (O) Program Manager / School Principal Signature – Sign with an electronic signature. Responsible person to complete: GPM.
- (P) Grant Compliance Monitor Signature – Sign with an electronic signature. Responsible person to complete: GCM.

**Sample Form**

SCHOOL DISTRICT OF PHILADELPHIA GRANT COMPLIANCE OFFICE						
GRANT QUOTATION FORM						
A. GOODS (minimums by threshold) (\$25k and over goes to Procurement for IFB)			SERVICES (minimums by threshold) (\$100k and over requires formal RFP / RFQ)			
Up to \$3,500 - Micro	\$3,501 to \$20,000	\$20,001 to \$24,999	Up to \$3,500 - Micro	\$3,501 to \$20,000	\$20,001 to \$99,999	\$100,000 or More
One verbal quote (must be reasonable)	Minimum of two verbal price quotes	Minimum of 3 verbal quotes	One verbal price quote (must be reasonable)	Minimum of two verbal price quotes	Minimum of 3 written price quotes	Formal RFP
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>B. GOOD / SERVICE DESCRIPTION</b>						
<b>C. GRANT NAME:</b>			<b>D. ABC CODE:</b>		<b>E. Adv. Doc. No.:</b>	
<b>F. SELECTION CRITERIA</b>						
The following suppliers were asked to quote						
<b>G. DATE</b>	<b>H. COMPANY/CONTACT NAME/CONTACT NUMBER</b>				<b>I. AMOUNT QUOTED</b>	
_____	_____				_____	
_____	_____				_____	
_____	_____				_____	
<b>J. THE RECOMMENDED QUOTE IS FROM:</b>			<b>K. FOR AN AMOUNT OF:</b>			
<b>L. The recommended vendor does not appear on federal, state, or District lists of debarred or suspended vendors (see GP1800 for list access instructions). Verified as Not Debarred</b>						
<b>M. JUSTIFICATION:</b>						
<b>N. GCO COMMENTS:</b>						
<b>O. PRGM MGR. / SCHOOL PRINCIPAL SIGNATURE</b>			<b>P. GRANT COMPLIANCE MONITOR SIGNATURE</b>			

Grant Quotation Form

5/13/2016

**2. Procedures for processing SRC Resolutions**

The Chief of Grant Development and Compliance has electronic approval in the On-Line Resolution (ORS) system for grant resolutions.

RESPONSIBLE POSITION	Step	ACTION TAKEN
GPM	1	Enter information in the On-Line Resolution System. The Resolution amount must be fully encumbered in Advantage and approved up to the “Pend 3” level. See policy <a href="#">GP0900: Encumbrance of Grant Funds</a>
Budget Operations Assistant	2	<p>Receive notice in ORS of new resolutions (pending) entered by central office and school personnel.</p> <p>If the resolution impacts grant funds, generate a PDF copy of the resolution. The name of the PDF file is the resolution name and ID.</p> <p>Create a new SRC Grant Resolution Approval form and complete sections A, B, and D.</p> <p>Via e-mail, send both the PDF copy of the resolution and the electronic SRC Resolution Approval form to the applicable Grant Budget Analyst (GBA) assigned the grant.</p>
GBA	3	<p>Review the Resolution for the correct ABC Code and the availability of funds. If there are issues with either, contact the GPM and resolve the issues. This may require returning the form back to the BOA marked “No” regarding approval with comments of what needs to be corrected, if applicable, so the BOA can reject the resolution back to the GPM.</p> <p>If / when the Resolution is compliant, send the Resolution PDF and Resolution Approval Form marked “Yes” regarding approval to the Principal Financial Analyst (PFA) for review and disposition.</p>
PFA	4	Review and raise any applicable issues that may need to be raised. If problems need to be addressed, mark the Resolution “No” regarding approval and send to the BOA to be rejected in the system with comments. If approved, mark “Yes” and send the PDF Resolution and Approval Form electronically to the GCM.
BOA	5	If marked as “No” regarding approval, insert the comment provided by the GBA and / or PFA in the Resolution System and reject the Resolution.

2. Procedures for processing SRC Resolutions (continued)

RESPONSIBLE POSITION	Step	ACTION TAKEN
GCM	6	<p>For federal funds, review the resolution for compliance and the “necessary, reasonable, and allocable” test, a subgrantee / vendor determination form has been completed and approved by the OGDC Chief or Deputy, a Grant Quotation Form was completed and approved if under \$100,000, and if \$100,000 or greater, a formal RFP process was conducted and described in the Resolution. Both the Subgrantee Form and the Grant Quotation Form, if applicable, should be electronically attached to the Resolution. In addition, checks should be made for other key compliance elements, such as Supplantation and Eligibility.</p> <p style="text-align: center;"><b>IF COMPLIANT</b></p> <p>If the resolution is deemed compliant, indicate as such by checking the appropriate boxes (i.e., check the “Approved” box), and electronically sign the form and check the “Yes”. Forward the approved form along with the resolution PDF to the Chief of Grant Development and Compliance and copy the Compliance Assistant in the GCO.</p> <p style="text-align: center;"><b>IF NON-COMPLIANT</b></p> <p>If the resolution generates compliance questions, contact the GPM / school for clarification. Enter the questions / comments and potential results of the interaction with the GPM / school in the comments section (I) of the SRC Grant Resolution Approval form.</p> <p>If the GPM / school agree to the suggested changes, indicate the agreed changes to be made in the comments section of the form and check the “Reject” box so that the BOA can reject the resolution in the Resolution System to allow the GPM to make the necessary changes. Electronically sign the form.</p> <p>If a satisfactory grants compliance conclusion cannot be reached, indicate the reasons in the comments section of the form and click the “Reject” box so that the BOA can reject the resolution in ORS. Electronically sign the form and check the “No” box.</p> <p>Forward the rejected form along with the resolution PDF back to the BOA and Chief of OGDC.</p>
Chief, OGDC	7	<p>Review electronic submission. If there are questions, type the questions and / or comments on the resolution and reject it in ORS. The Chief will be notified when the resolution is ready to be reviewed again.</p> <p>If compliant, electronically sign the resolution, check the “Yes” box, and approve it in ORS. Forward the document to the GCM and BOA for archiving the complete record in the electronic database.</p>

**SRC Grant Resolution Approval Form**

The SRC Grant Resolution Approval form is designed to provide the GCO the opportunity to formally review and comment on grant purchases processed through the SRC Resolution process. The review and approval of Resolutions is time sensitive. Below is a description of the content required in each lettered section and a sample of the blank form. The form is to be completed and delivered between the parties electronically except for the final review by the PFA and Budget Director where approval will be made with a manual signature.

**Contents**

The lettered sections on the Form are as follows:

- (A) SRC Resolution ID Number – Auto-generated number from the ORS System. Required to cross reference the form to the ORS system. Responsible person to complete: GBA.
- (B) Date Sent to GCO – Responsible person to complete: GBA.
- (C) Date Returned by GCO – Responsible person to complete: GBA.
- (D) OMB Internal Code – The internal tracking code from the Microsoft Access database used by OMB to track Resolutions. Responsible person to complete: GBA.
- (E) Subgrantee / Vendor Determination Form – A determination form must be completed by the grant program manager and reviewed and approved by either the OGDC Chief or Deputy. The GCM must verify that this has been completed for the Resolution to be compliant. Ideally, this determination will have been made at the grant development “table”.
- (F) Grant Quotation Form (Under \$100,000) – Resolutions under \$100,000 but greater than \$15,000 must have a Grant Quotation Form. The GCM must review and ensure all conditions have been met in order for the resolution to be compliant. Responsible person to complete: Grant Compliance Monitor (GCM).
- (G) Resolutions of \$100,000 or Greater – Resolutions of \$100,000 or more must have had a formal bid process and that process needs to be described in the Resolution body. The GCM must review and ensure all conditions have been met in order for the resolution to be compliant. Responsible person to complete: Grant Compliance Monitor (GCM).
- (H) GCO Decision – Indicate whether the Resolution is approved or rejected regarding grant compliance. Responsible person to complete: GCM or Executive Director, GCO.
- (I) GCO Comments – Comments regarding the approval or rejection decision. Responsible person to complete: GCM or Executive Director, GCO.
- (J) GBA Comments – Comments entered before the GCO review to help the GCO and / or Grant Program Manager understand the resolution and decisions. Responsible person to complete: GBA.
- (K) Grant Budget Analyst – Approval indication. Responsible person to complete: GFS Budget Analyst.

- (L) Principal Financial Analyst – Approval indication and hard signature. Responsible person to complete: GFS Principal Financial Analyst.
- (M) Grant Compliance Office – Electronic signature. Responsible person to complete: GCM or Executive Director, GCO.
- (N) Chief of Grant Development and Compliance – Approval indication and hard or electronic signature. Responsible person to complete: Chief, OGDC.

**Sample Form**

<p><b>THE SCHOOL DISTRICT OF PHILADELPHIA</b>  <b>GRANT COMPLIANCE OFFICE / GRANT FISCAL SERVICES</b></p> <p><b>SRC GRANT RESOLUTION APPROVAL FORM</b>  <b>SDP FISCAL YEAR:</b></p> <p>Note: This form is used by the GCO to review SRC Resolutions, submitted via the On-Line Resolution system (ORS), seeking to authorize contracted services to be funded with federal dollars. Requests through ORS are made by grant program managers and school principals.</p>			
<u>A. SRC RESOLUTION ID NUMBER</u>	<u>B. DATE SENT TO GCM</u>	<u>C. DATE RETURNED BY GCM</u>	<u>D. OMB INTERNAL CODE #</u>
<p><b>E. SUBGRANTEE / VENDOR DETERMINATION FORM</b>                  Is there a subgrantee / vendor determination form signed by the grant program manager and has that decision been confirmed by either the Chief or Deputy Chief of OGDC?</p> <p><input type="checkbox"/> YES                      <input type="checkbox"/> NO</p> <p>What was the determination?                      <input type="checkbox"/> Subgrantee                      <input type="checkbox"/> Vendor</p>			
<p><b>F. If the Resolution amount is under \$100,000, is there an approved Grant Quotation Form indicating either phone / written price quotes (as applicable) were obtained, or a formal bid process was used?</b></p> <p><input type="checkbox"/> YES                      <input type="checkbox"/> NO</p>			
<p><b>G. If the Resolution amount is \$100,000 or greater, or if a formal bid process was used regardless of amount, does the body of the Resolution describe the formal selection process and include the RFP/RFQ number, the number of other responders, and the criteria used for selection?</b></p> <p><input type="checkbox"/> YES                      <input type="checkbox"/> NO</p>			
<p><b>H. GCO DECISION:</b></p> <p style="text-align: center;"><input type="checkbox"/> APPROVE                      <input type="checkbox"/> REJECT</p>			
<p><b>I. GCO COMMENTS (including reason to be rejected back to the preparer):</b></p>			
<p><b>J. GRANT BUDGET ANALYST (GBA) COMMENTS (including reason to be rejected back to the preparer):</b></p>			
<p><b>K. GFS GRANT BUDGET ANALYST</b></p> <p>Approved:                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p>Signature:</p>		<p><b>L. GFS PRINCIPAL FINANCIAL ANALYST (PFA)</b></p> <p>Approved:                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p>Signature:</p>	
<p><b>M. GCO GRANT COMPLIANCE MONITOR</b></p> <p>Approved:                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p>Signature:</p>		<p><b>N. CHIEF, OGDC</b></p> <p>Approved:                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p>Signature:</p>	

**Contacts**

- *Grant Fiscal Services*
- *Office of Management and Budget*
- *School Based Resource Support – HR*
- *Grant Compliance Office*

**Frequently Asked Questions**

**Related Information**

- *Excluded Parties List (ELPS) System*
- *Grant Quotation Form*
- *SRC Grant Resolution Form*
- *GP0200.5 Budget Amendments*
- *GP0900: Encumbrance of Grant Funds*
- *GP1600 Procurement Using Grant Funds*
- *GP1700 Contracted Services for Grant Funded Programs*
- *GP1800 Suspended, Disqualified or Debarred Vendors to be Paid with Grant Funds*
- *SDP General Counsel Website*

**History**

**Amended:**

- Amended on 3/4/2013 to revise the Resolution Approval Form to explicitly provide an approval block for the Chief of Grant Development and Compliance.
- Amended on 4/2/2013 to include additional review checks on the Resolution Approval Form.
- Amended on 10/11/2013 to change the review order for SRC Resolutions to GBA, PFA, GCO and then Chief.
- Amended on 4/24/2015 to update Uniform Grant Guidance changes and make other technical changes.
- Amended on 5/13/2016 to update the Grant Quotation Form (IU and SDP) to include an increase in the federal Micro-Purchase rate up to \$3,500, and to include a check box for formal RFP for the purchase of services of \$100,000 or more.

Issue Date: July 1, 2012	Effective Date: May 13, 2016	Approved by: Deputy Chief Grant Compliance and Fiscal Service Officer
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