



**SUTTER YUBA HOMELESS CONSORTIUM  
FISCAL POLICY  
NOVEMBER 2019**

---

---

We envision a community where every person has the opportunity to have a safe place to call home.

The mission of the Sutter Yuba Homeless Consortium is to coordinate the services of community based organizations, faith based organizations, and local governments to provide a continuum of services and maximize resources to better serve the homeless people of Sutter and Yuba Counties.

---

## Table of Contents

- A. Fiscal Policy
- B. Basis of Accounting
- C. Journal Entries
- D. Bank Reconciliation and Monthly Close
- E. Record Keeping
- F. Access to Records
- G. The Following is the SYHC documents retention, storage and destruction policy
- H. Internal Controls
- I. Segregation of Duties
- J. Physical Security
- K. Financial Planning and Reporting
- L. Internal Financial Reports
- M. Audit
- N. Tax Compliance
- O. Revenue and Accounts Receivable
- P. Cash Receipts
- Q. Revenue Recognition
- R. Expenses and Accounts Payable
- S. Payroll
- T. Independent Contractors
- U. Petty Cash
- V. Employee Expense Reimbursements

## **A. Fiscal Policy**

The purpose of the SYHC financial policy is to provide for the accurate, current and complete disclosure of the financial results of each program and project. By providing detailed written guidance on all procedures SYHC will ensure ongoing adherence to these guidelines as well as continuity as staff changes and new employees are trained. This policy describes procedures and sets standards for the fiscal management systems for making payments and satisfying cost sharing and match requirements, accounting for program income, making audits, determining allowability of costs and establishing fund availability. These policies are aligned with standards prescribed for use and management of funds by our Federal, State, County, and Municipal funders. This includes programs funded under the Federal Continuum of Care Health Act funds.

## **B. Basis of Accounting**

SYHC uses the accrual basis of accounting. Revenue and expenses are identified with specific periods of time, without regard to date of receipt or payment of cash. Expenses are accrued in the month they are incurred, and revenue is booked in month it is earned. Books are closed on monthly basis. Advance and annual payments are recognized on a proportional basis going forward. Year-end books are closed no later than 60 days after the end of the fiscal year.

## **C. Journal Entries**

SYHC utilizes QuickBooks accounting software for all entries. QuickBooks automatically creates the appropriate journal entries. A Quick Books balance sheet report is created during the monthly closing of the books and checked for accuracy and anomalies. If necessary, corrections are made manually to the journal. A similar process is also conducted at the closing of the books. **This work is conducted by the Administrative Assistant and checked and approved by the Executive Director.**

## **D. Bank Reconciliation and Monthly Close**

Bank reconciliation is conducted on a monthly basis. All statements are opened and reviewed, and initialed, in a timely manner by the **Administrative Assistant**. The statements are then entered by the **Administrative Assistant**. The **Executive Director** reviews and approves the

reconciliation report that is included in the included the monthly financial reports to the board. Books are closed by the **Administrative Assistant** and the reports are reviewed and approved by the **Executive Director** and presented to the Board of Directors on a monthly basis.

#### **E. Record Keeping**

SYHC will maintain and retain records that adequately record and identify the source and application of funds, including those utilized in state and federally sponsored activities.

Records, including those related to federal and state awards, will contain information regarding authorizations, obligations, unobligated balance, assets, outlays, income and interest.

SYHC will organize and maintain records of expenditures in a manner that clearly shows which program they are related to and division of expenditures between funding sources, and the application and source of match. Detailed source documentation including receipts, invoices, and deposit slips, will be retained and stored in a logical and easy to access manner.

All records will be maintained in such a way as to facilitate accurate, current and complete financial results of all programs included those that are federally funded. SYHC will use the record keeping standard that are in adherence to regulations included in CFR-24 Subpart C-84.21 for all programs including those federally funded. SYHC will provide access to the records relating to state and federally funded programs, including CoC programs, to state and federal officials. This includes records regarding program eligibility, supportive services as well as fiscal records including match documentation. SYHC will adhere to the following federal regulations regarding access to the records:

***F. Access to records.***

**(1)Federal Government rights.** Notwithstanding the confidentiality procedures established under paragraph (b)of this section, HUD, the HUD Office of the Inspector General, and the Controller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

**(2)Public rights.** The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding 5 years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

**(e)Reports.** In addition to the reporting requirements in 2 CFR part 200, subpart D, the recipient must collect and report data on its use of Continuum of Care funds in an Annual Performance Report (APR), as well as in any additional reports as and when required by HUD. Projects receiving grant funds only for acquisition, rehabilitation, or new construction must submit APRs for 15 years from the date of initial occupancy or the date of initial service provision, unless HUD provides an exception under § 578.81(e).

**G. The Following is the SYHC documents retention, storage and destruction policy.**

DOCUMENT RETENTION AND DESTRUCTION POLICY

FOR

Sutter Yuba Homeless Consortium

I. Purpose

In accordance with 18 U.S.C. Section 1519 and the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention and destruction of documents received or created by Sutter Yuba Homeless Consortium in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate Advocates for Mentally Ill Housing, Inc's operations by promoting efficiency and freeing up valuable storage space.

II. Document Retention

Sutter Yuba Homeless Consortium follows the document retention procedures outlined below. Documents that are not listed but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

**Corporate Records**

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
By-laws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

**Accounting and Corporate Tax Records**

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 Tax Returns	Permanent
Business Expense Records	7 years
IRS 1099s	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (box office, concessions, gift shop)	5 years
Petty Cash Vouchers	4 years
Cash Receipts	4 years
Credit Card Receipts	4 years
Documentation of Grant Contract Match	7 years

**Bank Records**

Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

**Payroll and Employment Tax Records**

Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	Permanent
Garnishment Records	7 years
Payroll Tax returns	7 years
W-2 Statements	7 years

**Employee Records**

Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion or Discharge termination	7 years after
Accident Reports and Worker's Compensation Records	5 years
Salary Schedules	Permanent
Employment Applications	3 years
I-9 Forms	3 years after
termination	
Time Cards	3 years
Donor Records and Acknowledgement Letters	7 years

Grant Applications and Contracts completion 5 years after

**Legal, Insurance and Safety Records**

Appraisals Permanent

Copyright Registrations Permanent

Environmental Studies Permanent

Insurance Policies Permanent

Real Estate Documents Permanent

Stock and Bond Records Permanent

Trademark Registrations Permanent

**Leases** 6 years after

expiration

OSHA Documents 5 years

General Contracts 4 years after

termination

**Program Records**

Verification of program eligibility including Homelessness and Disability 7 Years

Verification of program income eligibility 7 Years

Documentation of the Provision of Supportive Services 7 Years

III. Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

IV. Emergency Planning

Sutter Yuba Homeless Consortium’s records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping Sutter Yuba Homeless Consortium operating in an emergency will be duplicated or backed up at least every week and maintained off site.



## V. Document Destruction

Sutter Yuba Homeless Consortium's Executive Director is responsible for the ongoing process of identifying its records, which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

## VII. Compliance

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Sutter Yuba Homeless Consortium and its employees and possible disciplinary action against responsible individuals. The Executive Director and the Board Treasurer will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

## H. Internal Controls

Overall fiscal policy and control is the responsibility of the SYHC Board of Directors. Fiscal policies and procedures are reviewed and approved by the Board of Directors. Only the Board of Directors have the authority to change fiscal policy and procedures. The Board President or Treasurer periodically review the fiscal policies and adherence to them. The agency budget prepared and is presented to the Board of Directors for Approval at the beginning of the fiscal year. The approval of the budget is documented in the board minutes.

The Board Treasurer reviews monthly financial reports and monitors adherence to the budget amounts and overall standards of reasonable expenditure. Approval and acceptance of the monthly fiscal reports are documented in the minutes of the Board Meetings.

## I. Segregation of Duties

Financial duties for SYHC are distributed among multiple individuals to help ensure protection from fraud and error. The goal of the distribution of duties is protection of the organization's assets while also considering efficiency of operations.

At SYHC, duties and financial duties are divided between the **Administrative Assistant and Executive Director**. Mail that includes payments and bills are received and opened by the **Administrative Assistant**. The **Administrative Assistant** logs in any hand delivered checks received. The **Administrative Assistant** enter all bills and payments received, including any cash. The **Executive Director** reviews and approves payments. The **Executive Director** and **Board Treasurer** may sign checks. Bank deposits are prepared by the **Administrative Assistant** and approved by the **Executive Director**. SYHC does not distribute cash or make any payments in cash.

#### **J. Physical Security**

SYHC maintains physical security of its own assets to ensure that only people who are authorized have physical or indirect access to funds. All checks, credits cards, and cash are kept in a locked office. Only **Executive Director** and **Administrative Assistant** has keys to that office. Petty cash is kept in a lockbox with a code. The **Executive Director** handles petty cash and has the code. Receipts and other financial records are kept in a locked filing cabinet.

Each user has a unique user name and password to record entries in Quick Books accounting software. The passwords are changed at least every 6 months by the **Administrative Assistant**. Bank deposits are made at least once a week.

#### **K. Financial Planning and Reporting**

SYHC's financial statements are prepared in accordance with Generally Accepted Accounting Principles. (GAAP). The presentation of the Financial Statements shall follow the recommendation and standards of Financial Accounting Standards Boards FASB No. 117 "Financial Statements for Not-for Profit Organization. Under GAAP, revenues are classified based on the exitance or absence of funder and donor imposed restrictions. Accordingly, the net assets of SYHC are classified as unrestricted, temporarily restricted and permanently

restricted. Additionally, preparation of statements utilize and adhere to guidance Federal Office of Budget Management 2 CFR part 200- Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards.

The annual budget is prepared by the **Executive Director** with assistance from the **Administrative Assistant** and is presented to the Board of Directors for approval. The budget is presented to the Board at least 30 days prior to the end of the agency fiscal year. The Board of Directors will review and approve the budget at its last meeting prior to the start of the SYHC fiscal year. During the course of the year should there be major changes in revenue or expenses the **Executive Director** presents a budget modification to the Board for approval.

#### **L. Internal Financial Reports**

Financial reports are provided on a monthly basis and the board approves on a consent agenda. Should there be any major changes or deviation from the approved budget, the report is taken off of the consent agenda and included in the regular board discussions.

#### **M. Audit**

An external audit is conducted annually for SYHC. The audit is conducted in adherence to GAAP principal for not for profit organizations as well as audit requirements of Federal Office of Budget Management 2 CFR part 200, subpart F. At this time SYHC does not expend \$750,000 or more during its fiscal year. Therefore, SYHC's federal funding does not require that it has a single audit according to CFR 200.507. In the future should SYHC expend \$750,000 or more during its fiscal year, SYHC will conduct a single audit according to CFR 200.507.

The engagement of the external CPA auditing firm is recommended by the **Executive Director** and approved by the Board of Directors. Their work is overseen by the **Executive Director** and the Board Treasurer. The **Executive Director** acts as staff liaison for the CPA auditing firm. The audit is conducted and completed no more than 180 days after the end of the fiscal year. Once the audit report is complete it is presented to the Board of Directors during a regular meeting.

## **N. Tax Compliance**

The annual Federal 990 form and State of California 199 form are prepared by the same CPA firm that provides the external audit. Quarterly and annual 941 and DE6 payroll reports are completed and submitted by the **Administrative Assistant**. The **Executive Director** acts as staff liaison for the CPA preparing tax forms. When completed the 990 and 199 are provided to the Board of Directors for approval.

All W2 and 1099 forms that are issued to employees by January 31 are prepared by the **Administrative Assistant**, as well as following the year that the forms relate to.

## **O. Revenue and Accounts Receivable**

All grants and fee for service contracts are invoiced no later than the 21<sup>st</sup> of the following month to ensure a regular healthy cash flow for the organization. The **Administrative Assistant** prepare invoices based on expenses allowed for in the approved budget for the grant or feed for the service contract. The **Administrative Assistant** insures that all expenses relating and invoiced to Federal grants are allowable in adherence to CFR part 200 Subpart E cost principals.

As part of the monthly closing process the **Administrative Assistant** review Accounts Receivable Aging report and alerts the **Executive Director** of invoices that are more than 60 days overdue. For long outstanding invoices, the **Executive Director** determines appropriate collection measures. SYHC does not charge interest on past due accounts. The write-off of receivables is rare and occurs at management's discretion after all collection efforts have failed.

## **P. Cash Receipts**

The **Administrative Assistant** handles all deposits including cash receipts. The deposit information is input into QB, and checks are deposited through a scanning system. The **Executive Director** reviews and approves the deposits. All cash and checks are kept in a locked office. Deposits are made at least once a week. Overall SYHC tries not to receive or handle currency.

## **Q. Revenue Recognition**

All contributions are considered available for the Organization's general program's unless specifically restricted by the donor. Grant revenue is restricted to the purpose specified in the grant contracts and agreements. Receipt of Federal funds will be carefully recorded and designed clearly with the name of a specific Federal program.

## **R. Expenses and Accounts Payable**

Expenses are allocated based on the program and funding source supporting that program. Expenses that are common to all programs are allocated using time studies. Weighted averages of program expenses to total expenditures and management's best estimates.

## **S. Payroll**

SYHC pays salaries on a bi-weekly basis. SYHC does not permit advances against paychecks or against unaccrued vacation. SYHC offers automatic payroll deposit for employees. The **Administrative Assistant** prepare the summary for each payroll and submit to the **Executive Director** for approval. The **Executive Director** reviews and submits to the **Administrative Assistant**. The Bookkeepers runs payroll and provides a payroll report. The **Executive Director** approves the payroll report.

Timesheets are completed with hours assigned to appropriate funding sources. In the case where a position is funded by more than one funding source, including Federal funding, the hours are allocated between funding sources based on time studies. Timesheets are signed by the employee and the employee's supervisor. Payroll changes and additions can be made by the **Executive Director**.

Employees are paid all amounts due to them up to the day of termination. SYHC does not pay for unused vacation. The **Executive Director** sends a termination request to the **Administrative Assistant** who will send the check amount and payroll reports back to the **Executive Director** for a final approval.

## **T. Independent Contractors**

SYHC utilizes contractors for xxx and XXX Any contractor paid more than \$600 will provide a W-9 and a contract for service before receiving payment. At the end of the year the Administrative Assistant issue 1099s to those that have made more than \$600.

#### **U. Petty Cash**

Petty Cash is handled by the Executive Director. A petty cash log is utilized recording when cash is given out and returned. The petty cash log is entered in QB. Petty Cash is reconciled on a monthly basis with receipts that have been provided. Petty cash purchases must be approved ahead of time and receipts must be provided after the purchase.

#### **V. Employee Expense Reimbursements**

Employees must receive approval for expenses prior to incurring them if they are to be reimbursed for them. A reimbursement request form with receipts attached are submitted with payroll on a biweekly basis. Employees who drive their own vehicles on Company business will be reimbursed at the current federally approved millage rates.

# Procurement and Subaward Policy

## CONTENTS

1. PURPOSE
2. SCOPE
3. RESPONSIBILITY
4. CONFLICT OF INTEREST
5. SUBRECIPIENT AND CONTRACTOR DETERMINATION
6. GENERAL SUBAWARD STANDARDS
7. SUBRECIPIENT AND CONTRACTOR DETERMINATION
  - 7.1 General Standards
  - 7.2 Small businesses, minority, women, service-disabled veteran and veteran-owned businesses
  - 7.3 Considerations for awarding contracts
8. SUBRECIPIENT AND CONTRACTOR DETERMINATION
  - 8.1 New contractor /supplier compliance check
  - 8.2 Debarment and suspension.
  - 8.3 Subrecipient Ineligibility
  - 8.4 Procurement records
9. SUBAWARD MANAGEMENT
  - 9.1 Subaward Notification Standards
  - 9.2 Subaward Monitoring and Administration
10. COMPETITION
11. METHODS OF PROCUREMENT (found at 2CFR200.320)
  - 11.1 Procurement by micro-purchase \$0-\$10,000
  - 11.2 Procurement by small purchase \$10,001 - \$250,000
    - a) For purchases from \$10,001-\$ 50,000..
    - b) or purchases \$50,001-\$250,000
  - 11.3 Procurement by sealed bids (formal advertising)
  - 11.4 Procurement by competitive proposal
  - 11.5 Noncompetitive proposals

TABLE 1: Methods of Procurement
12. COST AND PRICE ANALYSIS (2 CFR 200.233)
13. CONTRACT ADMINISTRATION
14. EXCEPTIONS
15. POLICY REVIEW
16. CONTRACT PROVISIONS (2 CFR 200 Appendix II.)
17. GLOSSARY

## Procurement Policy

### **1. PURPOSE**

The purpose of these standards is to establish guidelines for the procurement of supplies, equipment, property and services as well as the management and administration of subawards. SYHC will ensure full compliance with federal, state and local procurement and subaward standards. Procurement procedures will provide guidance on complete documentation, transparency and promotion of “full and open competition” among contractors including small and minority-owned businesses. Additionally, policy standards will be established for subrecipient determination, subaward notification and administration, subrecipient monitoring and close-out of subawards.

As a consequence of adhering to this policy, SYHC will:

- a) Obtain the maximum value for its purchases, in terms of cost and quality;
- b) Have a fast and efficient purchasing process;
- c) Demonstrate financial integrity and accountability to its clients, stakeholders and the public interest;
- d) Successfully manage and prevent the potential conflicts of interest;
- e) Utilize a transparent and competitive contracting process where appropriate and practical;
- f) Monitor and evaluate performance in purchasing and procurement;
- g) Remain protected from complaints and legal actions mounted by potential suppliers who believe they have not received fair treatment;
- h) Develop supply sources to assure that SYHC has an adequate number of contractors from which to obtain supplies, equipment and services
- i) Ensure subawards are properly identified as such to the subrecipient and all requirements of the subaward are clearly identified in the agreement
- j) Develop procedures for evaluating potential subrecipients for risk of noncompliance
- k) Ensure proper subrecipient monitoring and management procedures are in place

### **2. SCOPE**

This policy applies to all SYHC Board members and employees authorized to initiate and/or approve purchases/procurement actions as well as employees that are involved in the award, administration or management of subawards.

### **3. RESPONSIBILITY**

All staff are responsible for ensuring that all purchases comply with this Procurement Policy and that SYHC subawards meet all required standards. The Directors, Executive Director and key fiscal staff are responsible for determining whether a purchase or subaward is allowable under the terms and conditions of the funding source. Additionally, staff will ensure purchases and subawards are in accordance with this policy and in accordance with 2 CFR 200 as applicable. Under the Board’s guidance, the Executive Director is responsible for resolving any contractual and administration issues.



#### 4. CONFLICT OF INTEREST

As representatives of SYHC, all employees involved in the purchasing or subaward process for SYHC shall be bound by the SYHC Standards of Conduct Policy. Employees are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment.

##### 4.1 Standards of Conduct

The following Standards of Conduct govern the performance, behavior and actions of SYHC, including employees, directors, or agents who are engaged in any aspect of procurement or subaward administration, including – but not limited to – purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts or subawards. For detailed procedures, see SYHC’s Standards of Conduct Procedures that satisfy the following provisions, which is located on the Procurement and Subaward administration site:

- a) No employee, officer, director, or agent of SYHC shall participate in the selection, award or administration of a purchase, contract, or subaward if a real, potential or apparent conflict of interest would be involved.
- b) Such a conflict of interest would arise when any employee, officer, director or agent of SYHC, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has financial or other interest in or a tangible personal benefit from supplier/contractor/subrecipient considered for a subaward/contract.
- c) No employee, officer, director, or agent of SYHC shall award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to ensure free and open competition among qualified contractors, suppliers, and sub-recipients.
- d) SYHC employees, officers, directors, or agents involved in procurement shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors or anything having a monetary value in excess of **fifty dollars (\$50)** from a current or potential supplier/contractor/subrecipient, or from the family or employees of a current or potential supplier/contractor/subrecipient; or from any party to a subagreement or subcontract.
- e) Members of SYHC’s Board of Directors shall comply with relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts or subawards in which they have a direct or indirect financial or personal interest.
- f) Officers, employees, directors and agents of SYHC shall be subject to disciplinary actions for violations of these standards. These disciplinary actions could result in termination of employment or removal from the Board of Directors.
- g) Procedures and requirements for officers, employees, directors and other interested persons are contained in the SYHC “Standards of Conduct Procedures”.

- h) It is SYHC's policy to avoid situations that create organizational conflict of interest. Organizational conflicts of interest means that, because of relationships with a parent company, affiliate, or subsidiary organization, SYHC is unable or appears to be unable to be impartial in conducting a procurement action or administering a subaward involving a related organization. SYHC staff shall:
  - (i) Identify and evaluate potential organizational conflicts of interest as early in the acquisition process as possible;
  - (ii) Avoid, neutralize, or mitigate significant potential conflicts before contract award.

## **5. SUBRECIPIENT AND CONTRACTOR DETERMINATION**

- a) SYHC staff will make a case-by-case determination on whether the agreement is a subaward or a procurement transaction, which will indicate the appropriate procedures to be followed .
- b) In determining whether an agreement between SYHC and another non-Federal entity casts the latter as a subrecipient or a contractor, the review will utilize the framework in *SYHC's Subrecipient vs. Contractor Classification Determination Checklist* and under federal awards, in accordance with 2 CFR §200.330.
- c) Every procurement or subaward agreement initiation will be documented in writing. Documentation includes what characteristics of subrecipients, and contractors match the nature of the agreement between SYHC and a third party, as well as rationale and judgement used in making the determination.

## **6. GENERAL SUBAWARD STANDARDS**

- a) SYHC will comply with subaward notification and administration, subrecipient monitoring, and close-out of subawards and, as applicable, in accordance with Uniform Guidance (2 CFR §200), including: pre-award and postaward requirements.
- b) SYHC will only make subawards to eligible entities.
- c) SYHC shall be responsible for the selection of subrecipients according to an established criterion and will manage any subaward considerations in accordance with 2 CFR §200.330-1 and/or in accordance with funder terms and conditions as appropriate. SYHC will evaluate each subrecipient for their risk of noncompliance for the purpose of determining the appropriate subaward monitoring procedures.
- d) SYHC shall monitor the performance of subrecipients and ensure that they comply with funder requirements:

## **7. PROCUREMENT STANDARDS**

### **7.1 General Standards**

All procurement by SYHC shall comply with the requirements below:

- a) SYHC shall avoid purchasing unnecessary or duplicative items. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- b) Solicitations for goods and services provide for all of the following:

- i. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which restrict competition.
- ii. A list of requirements which must be fulfilled and all other factors to be used in evaluating proposals submitted in response to solicitation.
- iii. A statement of qualitative nature of the material, product or service to be procured and, when necessary, the minimal essential characteristics and standards to which it must conform.
- iv. When impractical or uneconomical to make technical requirements, a brand name or equivalent description may be used. The specific features of the brand name which must be met must be clearly stated.
- v. Preference to the extent practicable and economically feasible for products and services that conserve natural resources and protect the environment and are energy efficient.
- vi. All prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum full and open competition. Potential bidders will not be precluded from pre-qualifying during the solicitation period.

## **7.2 Small businesses, minority, women, service-disabled veteran and veteran-owned businesses**

SYHC will take all necessary affirmative steps to ensure that small businesses, minority-owned businesses, women-owned businesses, and veteran-owned businesses are utilized whenever possible.

SYHC shall take the following affirmative steps:

- a) Placing qualified small and minority businesses , women-owned service-disabled veteran and veteran-owned business enterprises on solicitation lists;
- b) Ensuring that small and minority businesses, women's , service-disabled veteran and veteran owned business enterprises are solicited whenever they are potential sources;
- c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, women's, service-disabled veteran and veteran-owned business enterprises;
- d) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, women's , service-disabled veteran and veteran-owned business enterprises;
- e) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- f) If SYHC awards subcontracts, it shall require, as a flow-down, that its contractors comply with all affirmative steps identified in paragraphs (a) through (e) of this section.

## **7.3 Considerations for awarding contracts**

Contracts will be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement agreement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources or accessibility to other necessary resources.

## 8. AGREEMENT AND CONTRACT INITIATION

### 8.1 New contract or subaward compliance check

- a. For each new procurement transaction, contractors/suppliers shall be checked according to procurement vendor compliance procedures.
- b. Procurement staff will perform a risk and integrity check on suppliers/vendors and subrecipients as each new agreement is initiated. Including their status with the Office of the Secretary of State, Office of the Attorney General, the Federal government's Excluded Parties List/ System for Award Management and Better Business Bureau as applicable. The validity of the new contractor/supplier's business license shall also be verified.
- c. SYHC will evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward for the purposes of determining the appropriate monitoring procedures. Subawards will be initiated after the appropriate compliance checks and pre-award requirements have been verified, as applicable. SYHC will ensure that all mandatory disclosures, risk assessments, disclosures of conflict of interest, verification the subrecipient is audited as required and award notification standards as outlined in Uniform Guidance are performed for federal subawards.
- d. The above documentation of compliance checks will be added to the procurement file for each transaction or award as applicable.

### 8.2 Debarment and suspension

No contract shall be made to parties listed on the General Administrative Services' List of Parties or excluded from Federal Procurement or Non Procurement Programs. Subawards and contracts must not be issued to parties that are debarred, suspended or otherwise excluded from Federal assistance programs or activities.

### 8.3 Subrecipient Ineligibility

Generally, SYHC does not make subawards to for-profit organizations. Transactions between SYHC and for-profit organizations including individual consultants are, in almost all cases, subject to the competitive procurement requirements. Subawards may be made to non-profit organizations, Institutions of Higher Education, local, state and Federal entities and Tribal entities, provided they are not debarred or suspended or otherwise ineligible to participate in Federal assistance programs.

Ineligibility for a subaward is determined at the discretion of SYHC's Board and Executive Director under circumstances including the agency's systems are inadequate for proper accounting of award funds in accordance with funder requirements, the agency lacks the integrity or ability to manage the subaward properly, the agency lacks adequate compliant policies and procedures and/or unresolved audit findings.

### 8.4 Procurement records

SYHC will maintain records sufficient to detail the history of all procurement actions. Procurement records and files shall include the following, at the minimum:

- a) Rationale for the method of procurement;
- b) Selection of contract type;
- c) Contractor selection or rejection; and
- d) The basis for the contract price.

## **9. SUBAWARD MANAGEMENT**

### **9.1 Subaward Notification Standards**

For each subaward provided to a subrecipient, SYHC will include:

- (1) clearly identify the agreement as a subaward and include the specific standard information for federal subawards or as applicable.
- (2) All requirements imposed by the pass-through entity on the subrecipient to ensure that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;
- (3) Any additional requirements that the pass-through entity imposes on the subrecipient
- (4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414
- (5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part
- (6) Appropriate terms and conditions concerning closeout of the subaward

### **9.2 Subaward Monitoring and Administration**

- a) SYHC will maintain records that meet 2CFR200 requirements for pass-through entities and funder terms and conditions as appropriate for all subawards. The records will be maintained per SYHC's Record Retention Policy
- b) SYHC will monitor the activities of the subrecipient, as necessary, to ensure that the subaward was used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are being, or have been, achieved
- c) For any instance discovered of a subrecipient's non-compliance with subaward terms and conditions or federal statutes and regulations, SYHC will consider taking cure and/or enforcement actions as appropriate
- d) Should audit findings arise pertaining to the subrecipient's performance and administration of the subaward, SYHC will issue a management decision as required by 2 CFR 200.521
- e) It is not SYHC's standard operating practice to initiate or issue fixed amount subawards. In the event a fixed amount subaward is considered, SYHC will seek approval from the federal awarding agency and comply with all other standards in 2CFR200.332

## **10. COMPETITION**

All procurement transactions shall be conducted in a manner to provide full and open competition. SYHC shall be alert to organizational conflicts of interest as well as competitive practice among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids and/or requests for proposals shall be excluded from such procurements. Awards shall be made to the bidder/offeror whose bid or offer is most advantageous based on price, quality and other factors depending on the procurement method. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by SYHC. SYHC shall avoid practices that are restrictive of

competition. Some of the situations considered to be restrictive of competition include but are not limited to:

- a) Placing unreasonable requirements on firms in order for them to qualify to do business;
- b) Requiring unnecessary experience and excessive bonding;
- c) Noncompetitive pricing practices between firms or between affiliated companies;
- d) Noncompetitive contracts to consultants that are on retainer contracts;
- e) Organizational conflicts of interest;
- f) 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 g) Any arbitrary action in the procurement process.

## **11. METHODS OF PROCUREMENT (found at 2CFR200.320)**

### **11.1 Procurement by micro-purchase \$0-\$10,000**

This refers to the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-Purchase, currently set at \$10,000). To the extent practicable, SYHC shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if SYHC considers the price to be reasonable.

### **11.2 Procurement by small purchase \$10,001 - \$250,000**

Small Purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than the “Simplified Acquisition Threshold” (found at 48 CFR 2.1, currently set at \$250,000). When small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources as described below to ensure that the selection process is competitive in accordance with these policies.

#### **a) For purchases from \$10,001-\$100,000**

A minimum of two (2) price or rate quotes, written or verbal, are required. Contractor selection must be made on the basis of the same precise and accurate description of the specifications and technical requirements for the item or service. Web price lists and catalogue listings, as well as telephone quotes, can be considered. SYHC will create a preferred list of contractors for office supplies, computers, and accessories once every three years. The selected contractors will remain SYHC’s primary vendor for purchasing these items for that time period.

#### **b) For purchases \$100,001-\$250,000**

A minimum of three (3) written bids are required. The bids may come in response to a formal Request for Proposal (RFP) or a Request for Quote (RFQ). Each source must be provided with the same precise and accurate description of the specifications and technical requirements for the item or service. Written bids may be received by mail, fax or email and should be signed/emailed by an authorized representative of the offeror.

### **11.3 Procurement by sealed bids (formal advertising) Greater than \$250,001**

Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- a) In order for sealed bidding to be feasible, the following conditions should be present:
  - i. A complete, adequate, and realistic specification or purchase description is available;
  - ii. Two or more responsible bidders are willing and able to compete effectively for the business; and
  - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- b) If sealed bids are used, the following requirements apply:
  - i. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids. ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
  - iii. All bids will be opened at the time and place prescribed in the invitation for bids.
  - iv. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
  - v. Any or all bids may be rejected if there is a sound documented reason.

### **11.4 Procurement by competitive proposal Greater than \$250,001**

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- a) Requests for proposals will be publicized and identify all the evaluation factors and their relative importance. Any response to a publicized request for proposals shall be honored to the maximum extent possible.
- b) Proposals shall be solicited from an adequate number of qualified sources.
- c) SYHC shall evaluate responses to solicitations and select awardees in accordance with the procedures outlined in section 5 above (Procurement Standards).
- d) Awards will be made to the responsible firm whose proposal is most advantageous to SYHC with price and other factors considered.

- e) SYHC may use the competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors’ qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. A procurement process where price is not to be used as a stated selection factor can only be used in the procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

**11.5 Noncompetitive proposals (sole source)**

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- a) The item is available only from a single source;
- b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c) The funding source including pass-through entities specifically authorizes the use of noncompetitive proposals in response to a written request from SYHC; or
- d) After solicitation of a number of sources, competition is determined inadequate.

**TABLE 1: Methods of Procurement**

Procurement Method	Cost Threshold/Sole source Justification	Minimum number of Bids/Price Quotes	Type of Solicitation	Cost /Price Analysis Required?
Micro-Purchase	Micro-Purchase Threshold (\$10,000 & Less)	2	Informal (Verbal, Web Search)	No. Cost must be reasonable.
Small Purchase	\$ 10,001-\$100,000 (Under Simplified Acquisition Threshold)	3	RFP/RFQ  Written or Verbal	Yes
	\$ 101,000-\$250,000 (Under Simplified Acquisition Threshold)	3	RFP/RFQ  Written	Yes
Sealed Bids	Greater than \$ 250,000 (Above Simplified Acquisition Threshold)	3	Formal Advertisement	Yes



Competitive Proposal	Greater than \$ 2150,000  (Above Simplified Acquisition Threshold)	3	RFP/RFQ	Yes
Noncompetitive Proposal/Sole Sourcing	Justified only under the following circumstances:  (a) item available from single source  (b) public exigency or emergency  (c) Federal Agency/Funding Source authorizes it  (d) After solicitation of a number of sources, competition is determined inadequate	N/A	Informal (Verbal, Web Search), RFP/RFQ (Written or Verbal)	N/A

## 12. COST AND PRICE ANALYSIS (2 CFR 200.233)

- a) SYHC will perform a cost or price analysis in connection with every procurement action in excess of the Micro-Purchase Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation but, as a starting point, SYHC will make independent estimates before receiving bids or proposals.
- b) SYHC will negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- c) SYHC will ensure that costs or prices based on estimated costs for contracts are allowable under the funding source and SYHC's cost principles.

## 13. CONTRACT ADMINISTRATION

A system for contract administration shall be maintained to ensure contractor/sub-recipient conformance with the terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of purchases. SYHC shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

SYHC will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.

#### **14. EXCEPTIONS**

Except for procurement actions in relation to Federal Awards, the Board may approve exceptions to this Policy by prior written consent.

#### **15. POLICY REVIEW**

This Policy shall be reviewed from time to time to accommodate changing needs in accordance with federal, state, and local procurement laws and regulations.

#### **16. CONTRACT PROVISIONS (2 CFR 200 Appendix II.)**

All contracts made by SYHC will, in addition to provisions that define a sound and complete agreement, contain provisions covering the following, as applicable:

- a) Contracts in excess of the Simplified Acquisition Threshold (currently set at \$250,000) must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as appropriate.
- b) All contracts in excess of \$10,000 must address termination for cause and for convenience by SYHC including the manner by which it will be effected and the basis for settlement.
- c) Equal Employment Opportunity. All contracts must include the equal opportunity clause in accordance with Executive Order 11246, "Equal Employment Opportunity"
- d) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required **by federal program legislation**, all prime construction contracts in excess of \$2,000 awarded by SYHC must include a provision for compliance with the Davis-Bacon Act as supplemented by Department of Labor regulations.
- e) The Copeland "Anti-Kickback" Act. All prime construction contracts in excess of \$2,000 awarded by SYHC shall include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations.
- f) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by SYHC in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance, as supplemented by Department of Labor regulations
- g) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and sub-grants of amounts in excess of \$150,000 must contain a provision that requires SYHC to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).

i) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM).

j) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—For contracts for an amount exceeding \$100,000, SYHC shall file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. 1352. SYHC shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award.

### 13.1.1 GLOSSARY

**Award:** The financial assistance SYHC receives directly from a funding source.

**A/E:** Architect-Engineer services, (defined in 40 U.S.C. 1102) means—

- (1) Professional services of an architectural or engineering nature, as defined by State law, if applicable, that are required to be performed or approved by a person licensed, registered, or certified to provide those services;
- (2) Professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and
- (3) Those other professional services of an architectural or engineering nature, or incidental services, that members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services.

**CFR:** Code of Federal Regulations. 2 CFR 200 means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); 48 CFR 1 is the Federal Acquisition Regulations.

**Construction:** Construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms “buildings, structures, or other real property” include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels. Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing, or assembling of vessels, aircraft, or other kinds of personal property.

**Contract:** A legal instrument by which SYHC purchases property or services needed to carry out the project or program under an award. The term does not include a legal instrument, even if SYHC considers it a contract, when the substance of the transaction meets the definition of a sub-award.

**Contract modification:** Any written change in the terms of a contract.

**Contractor:** An entity that receives a contract. The term contractor includes entities that in other contexts such as the Federal Acquisition Regulation may be referred to as vendors.

**Cost Analysis:** The evaluation of the separate elements (e.g., labor, materials, etc.) that make up a contractor's total cost proposal or price (for both new contracts and modifications) to determine if they are allowable, directed related to the requirement and, ultimately, reasonable.

**Cost Price Analysis:** An evaluation of both proposed lump sum price as well as each component of cost proposed by a potential contractor for a particular purchase or service.

**Emergency Purchase:** Something that threatens public health, safety or welfare and in which the following conditions exist it was unforeseen, calls for immediate action and/or it cannot be responded to using normal procurement processes. Failure to plan ahead does not constitute an emergency.

**Equipment:** Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by SYHC for financial statement purposes, or \$5,000.

**Federal Award:** The financial assistance SYHC receives directly from a federal awarding agency. Federal award does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor operated facilities (GOCOs).

**Gifts and Gratuities:** Any item or consideration which may influence a purchase. An exception is made for items of insignificant value (\$250 or less) such as pencils, pens, notepads, calendars or items won from a random drawing.

**Goods:** A piece of equipment or a supply item.

**Ineligible Supplier/Contractor:** Any supplier/contractor whose name appears on the Excluded Parties Listing System for Federal Procurement and Non-procurement Programs.

**Micro-Purchase:** A purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is currently \$10,001 but this threshold is periodically adjusted for inflation.

**Minority-owned business:** A business which is at least 51% owned, operated and controlled on a daily basis by one or more (in combination) American citizens of the following ethnic minority and/or gender (e.g. woman-owned) and/or military veteran classifications:

- (1) African American
- (2) Asian American (includes West Asian Americans (India, etc.) and East Asian Americans (Japan, Korea, etc.))
- (3) Hispanic American - Persons with origins from Latin America, South America, Portugal and Spain.(SBA.gov)
- (4) Native American including Aleuts
- (5) Service-Disabled Veteran Owned

**Non-Competitive Purchases:** Purchase of supplies or services without using the competitive proposals. Justification required. Not to be used to compensate for poor planning.

**Offer:** A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract.

**Offeror:** The bidder or entity who submits a bid to sub-contract.

**Price Analysis:** The evaluation of a proposed price (i.e., lump sum) without analyzing any of the separate cost elements that it is composed of.

**Real Property:** Land, building or any improvements to land.

**RFQ:** Request for Quotations.

**RFP:** Request for Proposals.

**Services:** The furnishing of professional services, labor, incidental parts and materials by a contractor. It does not involve the delivery of a piece of equipment or a supply item.

**Service-disabled veteran-owned small business:** A small business concern—

- (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service connected, as defined in 38 U.S.C. 101(16).

**Simplified Acquisition Threshold:** The dollar amount below which SYHC may purchase property or services using small purchase methods. Currently \$250,000, but this threshold is periodically adjusted for inflation.

**Specifications:** Detailed statements describing the materials, dimensions, performance requirements and workmanship of something to be built, installed, manufactured or processed.

**Small business:** A concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on contracts, and qualified as a small business under the criteria and size standards in 13 CFR part 121 (see 19.102).

**Sub-award:** An award of financial assistance (money or property) made to an eligible sub-recipient. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A sub-award may be provided through any form of legal agreement, including an agreement that SYHC considers a contract.

**Sub-recipient:** The legal entity which receives a sub-award to carry out part of the program and is accountable to SYHC for the use of the funds provided. It does not include an individual that is the beneficiary of the program.

**Supplies:** All tangible personal property other than Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

**Supplier:** An entity that receives a contract to supply all tangible personal property other than Equipment to SYHC.

**Vendor:** A term previously used for an entity that supplies goods and services; referred to as contractor in this Policy and the Uniform Guidance (2 CFR 200).

**Veteran-owned small business:** A small business concern—

- (i) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (ii) The management and daily business operations of which are controlled by one or more veterans.

**Women-owned small business:** A small business concern—

- (i) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (ii) Whose management and daily business operations are controlled by one or more women;

## Standards of Conduct Procedure

- 1.0 Purpose:** To provide a procedure guide that ensures actions of staff are governed by SYHC's Procurement Policy. Specifically, procedures will ensure that standards of conduct covering conflicts of interest including but not limited to the administration of contracts and subawards as well as organizational conflicts of interest are administered and managed appropriately. These procedures will govern actions of all staff and will be administered under the direction of the Board. SYHC's Procurement Policy and Standards of Conduct Procedures will prevent the solicitation of gifts and/or benefits from contractors, prevent staff with conflicts of interest from participating in the award or administration of contracts and subawards, and direct the disclosure of any conflict of interest to the Federal awarding agency in accordance with applicable Federal awarding agency policy.
- 2.0 General Principals:** A conflict of interest would arise when any SYHC employee, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has financial or other interest in or would receive a tangible personal benefit from selecting or engaging a supplier/contractor/sub-recipient for a subaward/contract.

Accepting gifts or benefits from suppliers, consultants, sub-recipients or other individuals, involved in the provision of goods and/or services could present a conflict of interest.

An "interest" can either be:

- A financial interest - associated with a reasonable likelihood or expectation of financial gain (or loss) to a person or to someone associated with them – e.g. relatives, friends, partners or work colleagues.
- A non-financial interest - that which does not relate to money, but which may relate to a non-financial gain (or loss) to a person or someone associated with them. Examples of non-financial interests might include kinship, friendship, association membership, society or trade union or involvement (or interest) in an activity.

The key issue is where a staff member's ability to act equally, fairly and impartially has the potential to be compromised, or may be perceived to be compromised.

A "conflict of interest" can be:

- Actual – where a person's duties as a staff member may be unduly influenced by a secondary interest (such as a personal or competing professional interest, including secondary employment or office)
- Perceived or apparent - where it could reasonably be perceived that the competing interests could improperly influence the performance of duties – whether or not this is in fact the case.
- Potential - where the competing interests have the potential to conflict with official duties in the future.

### **3.0 Roles and Responsibilities:**

The Board must ensure:

- 3.1 Conflicts of interest (which includes gifts and benefits) are managed effectively
- 3.2 These procedures are brought staff's attention, particularly those involved in the award and administration of contracts and subawards
- 3.3 An officer with an appropriate seniority level and experience is nominated to assess a conflict of interest and to manage the Register for Gifts and Benefits and Conflicts of Interest which is stored on a restricted-access computer.

Executive Director must:

- 3.5 Make staff aware of these procedures
- 3.6 Document the receipt and outcome of disclosures of conflicts of interest reported to them by staff members.
- 3.7 Record any offer or receipt of a gift or benefit reported to them by staff members and notify in writing the person tasked with maintaining the SYHC's Gifts and Benefits Register of the required details, decisions made, and actions taken
- 3.8 Provide advice to and assist staff with appropriate ways to manage any potential or actual conflicts of interest or gift and benefits issue
- 3.9 Monitor staff work and the risks they are exposed to in relation to conflicts of interest or gift and benefits issues, and regularly discuss these issues with staff.

Staff members have an individual responsibility to:

- 3.10 Identify and assess conflicts of interests relating to their employment particularly in the selection, award and administration of contracts and subawards
- 3.11 Where possible, avoid conflicts of interest and manage those conflicts of interest that cannot be avoided
- 3.12 Declare immediately any conflict of interest or potential conflict of interest to their direct supervisor/ manager or where appropriate, director
- 3.13 Neither solicit nor accept as an individual, gratuities, gifts, consulting fees, trips, cash, favors or anything having a monetary value in excess of fifty (\$50) from a current or potential supplier/contractor/sub-recipient, or from the family or employees of a current or potential supplier/contractor/sub-recipient; or from any party to a sub-agreement or sub-contract
- 3.14 Staff participating in games of chance or raffles where the prize has a monetary value in excess of the \$50 limit may accept the prize whether or not the prize is from a current supplier/contractor/sub-recipient.
- 3.15 Report as soon as possible any offer or receipt of any gift or benefit.

### **4.0 Disclosure:**

- 4.1 All staff members involved in contract and subaward administration must complete and sign the SYHC Conflict of Interest Certification and Disclosure form.
- 4.2 All staff must disclose the existence of any (actual/potential/perceived/monetary or non-monetary) conflict of interest in relation to a transaction or an arrangement to supervisors/managers or



directors and be given the opportunity to disclose all material facts. A disclosure must be made at the first available opportunity and must be in writing (an email will be sufficient, but the Conflict of Interest Certification and Disclosure form is the preferred form). Disclosures are to be treated as confidential wherever possible.

- 4.3 Staff members who become aware of a conflict of interest involving another staff member should raise the matter with the staff member concerned. If they are uncomfortable raising it with the individual concerned or, if after raising the issue it becomes apparent that a conflict has not been declared, they should consider raising it with the Director.
- 4.4 A conflict of interest situation may also be disclosed by potential contractors/sub-recipients through SYHC's compliance check.
- 4.5 Staff should avoid all situations in which the appearance may be created that any person or body (including companies), through the provision of hospitality or benefits of any kind, is securing or attempting to secure the influence or favor of the individual staff member.

## **5.0 Management of Conflict of Interest:**

- 5.1 Staff members should not participate in the selection, award or administration of a purchase, bid or contract if a real, potential or apparent conflict of interest would be involved.
- 5.2 After disclosure of the conflict of interest, the Executive Director will review the situation without delay and discuss it with the staff member involved.
- 5.3 If the staff member disagrees with the decision, the Executive Director will forward the matter to the Board who will discuss it and make a recommendation regarding the conflict.
- 5.4 If the Executive Director has reason to believe that a staff member has failed to disclose actual or possible conflicts of interest, he or she shall inform the staff member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose the potential conflict.
- 5.5 If after the Executive Director determines that a staff member has failed to disclose an actual or possible conflict of interest, appropriate disciplinary and corrective action may be taken. All records of meetings and/or email communications in relation to an actual or possible conflict of interest, a description of the conflict of interest, any action taken to determine whether a conflict of interest was present, and any determinations shall be documented as part of the Conflict of Interest Register, which may include:
  - Disclosure of the conflict of interest
  - Record of relevant private interest (if required)
  - Directions given about handling the conflict of interest
  - Decisions and arrangements made for resolving the conflict of interest
  - Steps taken in implementing the chosen management strategy
  - All details of final resolution of the matter
- 5.6 It has been determined that prizes won or received through games of chance and/or raffles at certain industry events from current suppliers/contractors/subrecipients do not present risk for a real or apparent conflict of interest developing. Staff may participate in and accept the prizes from games of chance or raffles regardless of their value even in excess of the \$50 limit. Staff are required to disclose them as they would any other gift or benefit.

## 6.0 Gifts, Benefits and Conflict of Interest Register:

The Register is maintained to record all gifts and benefits in excess of a fifty (\$50) value and conflicts of interest (actual, potential or perceived).

6.1 The Register is to include, as a minimum:

- The name of the person declaring the gift, benefit or conflict of interest
- To whom the gift, benefit or conflict was declared (name and position)
- The date of declaration and date of the offer
- The nature and description of the declared gift, benefit or conflict, including, if relevant, the name of the organization
- Reason for the offer and relationship between giver and receiver
- Estimated value
- Whether the gift or benefit was accepted
- Any determinations/decisions regarding the management of the gift, benefit or conflict

## 7.0 Conflict of Interest Examples:

The following examples are situations where conflict of interest may potentially occur and a recommended action to avoid or deal with the conflict:

Situation	Recommended Action
<p><b>Accepting gifts or benefits</b> from suppliers, consultants or sub-recipients, involved in the provision of goods and/or services could present a conflict of interest or obligation.</p> <p>Gifts and benefits can take many forms (e.g. goods, promotional items, travel, meals, opportunities to attend educational meetings etc.).</p>	<p>Do not accept gifts from businesses or suppliers to SYHC if the value is greater than \$50. Do not accept gifts from businesses or suppliers when booking travel arrangements (SYHC does allow staff to accrue standard travel rewards).</p>
<p>Having a <b>relationship with a potential contractor/supplier/sub-recipient</b> (e.g. Socially or through a family member etc.) could present a conflict of interest</p>	<p>Withdraw from any part of the purchasing process or declare the conflict and refrain from decision making</p>
<p>Having a <b>financial or other interest</b> (e.g. through a family member / friend) in a company that is a potential <b>contractor/supplier/sub-recipient</b> to SYHC is a conflict of interest</p>	<p>Withdraw from any part of the purchasing process or declare the conflict and refrain from decision making</p>
<p>Including in the submission of an application for a grant or contract a role for board members or staff working as private contractors wherein the board member or staff would receive a subaward or subcontract.</p>	<p>Declare on the register. The individual whose services are being procured should withdraw from the procurement and decision making process</p>

# Checklist to Determine Subrecipient or Contractor / Vendor / Consultant Classification

## **WHEN TO USE THIS FORM:**

The Uniform Guidance implements new definitions of Contractor and Subrecipient. Generally, the determination of the relationship with an external entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, including a description of the work to be performed, as well as through discussions with key personnel prior to proposal submission. When the relationship remains unclear, this form may provide assistance in making an accurate determination and provide documentation evidence of the decision making process for audit purposes.

## **DEFINITIONS FROM UNIFORM GUIDANCE (2 CFR, PART 200):**

### **Subrecipient:**

*§200.93 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.*

### **Contractor (aka Vendor):**

*§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.*

*§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.*

## **INSTRUCTIONS:**

Complete sections one and two of the checklist by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the Sutter Yuba Homeless Consortium. On occasion there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between SYHC and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship classification.

NAME OF OUTSIDE ENTITY: \_\_\_\_\_

**SECTION 1 - SUBRECIPIENT**

**Description:** A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- 1. Determines who is eligible to receive what Federal assistance;
- 2. Has its performance measured in relation to whether objectives of a Federal program were met;
- 3. Has responsibility for programmatic decision making;
- 4. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

*Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.*

**SECTION 2 - CONTRACTOR / VENDOR / CONSULTANT**

**Description:** A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- 1. Provides the goods and services within normal business operations;
- 2. Provides similar goods or services to many different purchasers ;
- 3. Normally operates in a competitive environment;
- 4. Provides goods or services that are ancillary to the operation of the Federal program.

*Entities that include these characteristics are not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons*

**FINAL DETERMINATION:**

SUBRECIPIENT       CONTRACTOR

**OPTIONAL - SECTION 3 - USE OF JUDGMENT** (use only when the determination cannot clearly be made using the above criteria)

**Description:** In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

*Explanation of Use of Judgment Determination:*

Prepared By: \_\_\_\_\_ Date: \_\_\_\_\_