



SCHOOL BOARD ACTION REPORT

DATE: December 1, 2016
FROM: Dr. Larry Nyland, Superintendent
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1. TITLE

Adoption of Policy No. 6201, Allowable Costs for Federal Programs

For Introduction: February 1, 2017
For Action: February 15, 2017

2. PURPOSE

This Board Action Report creates new Board Policy No. 6201, Allowable Costs for Federal Programs, in order to comply with new requirements for federal grant recipients. Adoption of this policy reflects new rules issued by the Office of Management and Budget (OMB) under the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

3. RECOMMENDED MOTION

I move that the School Board adopt Policy No. 6201, Allowable Costs for Federal Programs, as attached to the Board Action Report.

4. BACKGROUND INFORMATION

a. Background

On December 26, 2013, the federal Office of Management and Budget (OMB) issued updated rules and combined several rule documents into one document titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

The updated document provides changes to the way the district administers federal funds. The main purposes for releasing updated rules were to: 1) ease administrative burden on grantees by incorporating all Federal Administrative Requirements, Cost Principles, and Audit Requirements into one comprehensive documents, and 2) reduce the risk of fraud, waste, and abuse.

This updated document now requires recipients of federal awards to implement written procedures on allowable costs for federal programs. This recommended policy meets the requirements established by OMB and is based on a Washington State School Directors’ Association (WSSDA) model policy template.

b. Alternatives

The alternative is to not adopt this policy. This could potentially put the district in jeopardy of receiving future federal awards.

c. **Research**

Not applicable.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be not applicable.

The revenue source for this motion is federal funds.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

In accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, recipients of federal awards are required to implement this policy.

7. EQUITY ANALYSIS

Seattle School District receives approximately \$60 million in federal funds each year such as Title I, Title III, IDEA and McKinney Vento. These funds are targeted to disadvantaged and minority students in our district. Federal funds to the district provide additional funding to help efforts in closing the opportunity gap.

8. STUDENT BENEFIT

Adoption of this policy will ensure we are meeting requirements to receive future federal awards to serve our students most in need.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. _____, [TITLE], provides the Board shall approve this item
- Other: _____

10. POLICY IMPLICATION

Approval of this action complies with Board Policy 1310, Policy Adoption.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Audit and Finance Committee meeting on January 12, 2017. The Committee moved this item forward to the full Board with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

This policy will be implemented upon approval.

13. ATTACHMENTS

- Board Policy No. 6201, Allowable Costs for Federal Programs (for approval)
- Superintendent Procedure 6201SP (for reference)
- WSSDA policy news and model policy template – Allowable Costs for Federal Programs