



PROCUREMENT POLICY

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Reference No. FIN-003

Section 1. Purchasing Guidelines

1.1 Purpose

To provide formalized guidelines to ensure a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the City of Mound (“the City”); ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the City; promote competition in contracting; and assure that the City’s purchasing actions are in full compliance with applicable Federal, State, and local laws.

1.2 Definition

The term “procurement,” as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) services, (4) social services, and (5) other services.

The standards in this manual are minimum standards to ensure fiscal responsibility. Departments may set more restrictive procedures to meet their own budgetary accountability.

1.3 ADA Compliance

The City of Mound is subject to the provisions of the Americans with Disabilities Act (ADA). In general, the city will consider the needs of people with disabilities as it purchases equipment and configures work and public areas.

1.4 Related Policies

Additional policies that relate to this purchasing policy and should be referenced in accordance with such, include:

- Staff Expense Reimbursement Rules
- Official Employee Out-of-State Travel Policy
- Elected Official Out-of-State Travel Policy
- Mobile Device Policy
- Credit Card Purchases

1.5 Pre-Approved Expenditures

The city council has pre-approved payments that occur in the normal course of business through the budget approval process that the city is contractually/legally obligated to pay. Examples include utility related expenditures for vendors such as Minnegasco, Northern States Power, Metropolitan Council Environmental Services, Republic Services (garbage and curbside recycling), Frontier, Mediacom and Verizon. Payroll vendor examples include the United States Treasury, State of Minnesota, BCBS, PERA, and other similar companies related to salary and benefits. Finally, the liquor store does not get advance approval for purchase of products for resale (liquor, wine and beer). Any payments to these vendors that are outside the normal course of business will be presented to the City Council for individual approval.

1.6 Capital Projects/Infrastructure Improvements

Capital *projects*/infrastructure improvement projects are approved on a project by project basis by City Council resolution in the following sequence and are not part of the annual operating and capital expenditure approval process:

- RESOLUTION ORDERING PREPARATION OF A FEASIBILITY REPORT
- RESOLUTION RECEIVING FEASIBILITY REPORT
- RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS
- RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS
- RESOLUTION AWARDED CONTRACT
- RESOLUTION PROVIDING FOR THE SALE OF GO BONDS (Amount = contract award, issuance costs and indirect costs/contingency)
- RESOLUTION ACCEPTING PROPOSAL ON THE SALE OF G.O. BONDS
- PAY REQUESTS BASED ON PERCENTAGE OF COMPLETION/ENGINEERING ATTESTATION APPEAR ON THE CONSENT AGENDA FOR APPROVAL

Professional engineering and legal costs are indirect costs not part of the contract award. These expenditures are included in the claims approved at the regular council meetings. A quarterly report recapping year-to-date engineering expenses is provided in the Information/Miscellaneous/Report portion of the City Council agenda packet.

Due to the complexity of street and infrastructure improvement projects, contracts are awarded based on estimates of linear footage, etc. During the course of the project, estimates can change and are subject to approval by the engineer/Public Works Director. Material variances or changes in scope are brought back to the Council for approval as an addendum to the contract.

Section 1.7 Purchasing Guidelines

1.7.1 Quick Reference Guide - Assumes normal and customary operating and capital expenditures within budget, excludes liquor product purchases

Value of Purchase	Quotations Needed	Payment Request Options	<u>Advance</u> Approvals Needed Prior to Purchasing	
Less than \$1,000 (Note: City Manager approves all training and non-contractual staff expense reimbursements)	Departmental Discretion	Petty Cash < \$25 or Credit Card or Check Request or	Department Spv Finance City Manager City Council	Yes No No No
\$1,000-\$4,999	Departmental Discretion	Credit Card or Check Request	Department Head Finance City Manager City Council	Yes No No No
\$5,000-\$24,999	Two Written Quotes or RFP's	Check Request or Purchase Order	Department Head Finance City Manager City Council	Yes No Yes No
\$25,000-\$99,999	Two Written Quotes or RFP's for capital items, RFP's only for services (see RFP Sec. 4.5)	Check Request or Purchase Order	Department Head Finance City Manager City Council	Yes Yes Yes No
Greater than \$100,000	Sealed Bids, solicited by public notice	Check Request and Council Resolution accepting bid	Department Head Finance City Manager City Council	Yes Yes Yes Yes

Notes:

(1) If a cooperative purchasing agreement is in place, quotations are not required, but the agreement being used should be documented. Examples: State of Minnesota Cooperative Purchasing Venture (CPV), LOGIS for employee benefits, NJPA, etc.

(2) Formalized contracts or leases for a period exceeding one year must be approved by City Council resolution.

(3) See Staff Expense Reimbursement Rules and Out of State Travel Policy for additional restrictions on employee related expenses and employee recognition events.

(4) Definition of "Normal and Customary" assumes expenses incurred in the normal course of business within budgeted levels (examples include Met Council Environmental Services wastewater treatment, Xcel Energy, Frontier, payroll related, operating supplies, repairs and maintenance). On an annual basis, a list of the "regular" consultants will be provided along with the approval of the final budget. Any consultants not on the list whose services are needed will be brought to the Council for approval in advance.

1.7.2 Quick Reference Guide - Unbudgeted Capital Expenditure

Value of Purchase	Quotations Needed	Payment Request Options	Approvals Needed Prior to Purchasing	
Unbudgeted Capital Expenditures Greater than \$10,000	Two Written Quotes, RFP's, or Sealed Bids for over \$100,000	Check Request Purchase Order Council Resolution	Department Finance City Manager City Council	Yes Yes Yes Yes
Street/Infrastructure Improvement Contracts	Performance Bonds required equal to contract price	Council Resolution	City Council	Yes
Change Orders/ Material Amendments	All increases above \$50,000 or 10% of the <u>cumulative</u> contract amount, whichever is less, via change order or otherwise, must be approved by a contract amendment approved by resolution and a vote taken to require or waive additional bond amounts	Council Resolution	City Council	Yes

All construction contracts will include language that describes the process for approval for change orders, including when they are required to be brought back to the Council for approval in advance.

The following is an excerpt from the GASB 54 Fund Balance Policy adopted in 2011 with regard to budgeted and unbudgeted operating expenditures:

- The adopted budget resolution indicates the amount that can be expended by each fund and is supported by detailed budget estimates for individual expenditure accounts, also referred to as “line items.” Variances to budget in these line item expenses may occur as long as the fund remains at or above budgeted levels. If a fund is not expected to meet or exceed its budget, a budget revision at the fund level must be authorized by the City Council at the request of the City Manager. The Council, under Minnesota Statutes 412.731, can modify or amend the budget resolution if funds are available and a 4/5 vote is obtained.

Therefore, operating expenditures can fluctuate between the line items but all must be considered normal and customary in the ordinary course of business. Extraordinary and material expenditures or operating expenditures that may cause the fund to exceed the approved budget amount will be approved by the Council with a resolution approving the purchase and then in the form of a budget amendment/revision if needed.

Section 2. Purchasing Practices

2.1 Ethics / Relations with Vendors

The City of Mound holds its employees to the highest ethical standards. Purchases shall be conducted so they foster public confidence in the integrity of the city's procurement system, and open and free competition among prospective suppliers. In keeping with this value, employees should avoid the following practices when making purchases on behalf of the city:

Circumventing competitive bidding requirements.

Examples of this include:

- Splitting purchases so that they can be made through several small purchases.
- Using the emergency procedure process when no true emergency exists.
- Using a 'sole source' exemption when competition is available.

Denying one or more vendors the opportunity to bid on a contract

Examples of this include:

- Using unnecessarily restrictive specifications.
- Pre-qualifying bidders on a discriminatory basis.
- Removing companies from a bidders list without just cause.
- Requiring unnecessarily high bonding.

Giving favored vendors an unfair advantage.

Example of this include:

- Providing vendors with information regarding their competition's offers in advance of a bid opening.
- Making information available to favored vendors and not to others.
- Giving un-favored vendors inaccurate or misleading information.

Accepting gifts from vendors.

- Minnesota Statutes §471.895 prohibits government employees from receiving gifts except where they are included as part of the cost of a product, good, or service provided (such as a meal provided as part of a conference).

2.2 Conflicts of Interest

No employee, officer, Board member, or agent of the City of Mound or Mound HRA shall participate directly or indirectly in the *selection, award, or administration* of any contract if a conflict of interest, ***either real or apparent***, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:

A. An employee, officer, Board member, or agent involved in making the award;

- B. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister);
- C. His/her partner; or
- D. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Officers, employees, board members and agents are required to disclose any potential conflicts of interest and abide by the requirements as set forth in Minnesota Statutes 469.009, 471.87, 471.88, and 471.89. Note: non-decision making employees may not do business with the City that is not part of their regular duties/payroll compensation, election judges excluded because they are governed by state statute.

Section 3. Authorization

The City of Mound has a decentralized purchasing program where individual departments are responsible for making their own purchases.

Payment Authorization Process

1. Determine the need for commodities and services.
2. Research the cost of the purchase and determine proper purchasing alternative.
3. Determine the appropriate fund/expense account and whether there is sufficient funds available.
4. Forward request to Department Head or Supervisor for approval. If purchase exceeds \$5,000, pre-approval is needed by City Manager in the form of a signed purchase order or check request. Exceptions: (1) capital expenditure itemized on the capital budget approved as part of the annual budget process and (2) purchase of liquor store inventory or public works materials that are a standard part of operations (3) emergency repairs to city assets (4) utilities or other contracted services where an agreement is effective and in place (engineering, fleet servicing maintenance contract, and network/software maintenance.)
5. Department Head or Supervisor forwards request for payment with invoice to the finance department for input into financial accounting system.
6. Finance produces check register/claims report that is included in the City Council agenda packet for approval by the City Council.
7. Checks are cut and mailed within 35 days of receipt of claim per MSS 471.425.

Section 4. Purchasing Alternatives

4.1 Sealed Bids

- A formal sealed bid procedure is required for all purchases in excess of \$100,000 except professional services (engineering/architecture) and those on the State of Minnesota Cooperative Purchasing Venture (CPV) for things like heavy equipment.
- A published notice of bid is required in the official city newspaper at least seven days in advance of bid opening. The published notice must state where the plans and specifications can be obtained by bidders and specifically, where the bid opening will be held. The notice may also be published on the city's official web site; however, this publication is in addition to the official newspaper publication.
- All bid openings are to be administered by originating department.
- The preparation of all specifications are to be the responsibility of the originating department.
- Required authorization for plans and specifications is the responsibility of the originating department.
- The city council must formally approve the bid contract.
- The originating department then provides an electronic copy of the signed contract with the Clerk.

4.2 State, County and Other Cooperative Purchasing Contracts

State Cooperative Purchasing Contracts — The City of Mound participates in the State of Minnesota Cooperative Purchasing Venture (CPV). This enables participants to buy goods and services at a reduced cost under the terms of contracts already negotiated by the State of Minnesota.

- The finance department has access to the releases and listings of products/services that can be purchased on state contract.
- If it is determined that a product/service is on a state contract vendors should be told that the purchase will be made using that contract. When completing the purchasing paperwork, note that the purchase is per state contract and indicate the contract number.

4.3 Quotes

If a purchase is estimated to exceed \$5,000 but not to exceed \$100,000, the purchase may be made either by obtaining two written quotes or issuing a Request for Proposal (RFP). Either the quote or response to the RFP should clearly identify the vendor, services being provided and cost. All such quotes/RFP responses must be forwarded to

the finance department with the purchasing documents and will be retained for 7 years along with the invoice.

4.4 Emergency

Emergency situations may arise where the normal purchasing process cannot be followed for the procurement of goods and services. An emergency must be a situation arising suddenly and unexpectedly which requires speedy action essential to health, safety, and welfare of the community, and not just an inconvenience. The City Council must adopt a resolution declaring the emergency.

4.5 Request for Proposals (RFP)

RFPs are typically used to solicit proposals for professional services. Typical information to address in RFPs includes:

- Background and scope of the project
 - Proposal requirements should include adequate information to allow for proper review and evaluation including:
 - Description of firm and qualifications, including any specialized experience related to the project.
 - A list of similar projects the firm has completed.
 - Project timetables including: estimate of hours, breakdown of hours by phase, and the city's expectation for a completion date.
 - Designation of a firm principal who will be in charge of the project.
 - Resumes for management and lead staff who will work on the project.
 - Statement that either no subcontractors are allowed or that all subcontractors will be identified and are subject to the city's approval.
 - Estimate of cost to provide the service, outline of fee schedule and payment schedule.
 - Description of city's selection process.
 - City's evaluation criteria, which typically may include:
 - Quality and thoroughness of the proposal.
 - Similar past experience and/or expertise.
 - References
 - Cost estimate
 - The following statement must be included: The city reserves the right to reject any and all proposals, waive all technicalities and accept any proposal deemed to be in the city's best interest.
 - Submittal deadline: date, time, project name, and addressee.
 - Statement: "Proposers are solely responsible for delivery of their proposals to the city before the deadline. Any proposal received after the deadline will not be considered and will be returned."
 - Information about where questions should be directed.
- Note: Staff should make sure that all proposers are given the same information.***

If the city drafts the agreement, attach a copy of the agreement proposed to be used for the project. The agreement includes provisions to which the firm must agree, so it is

important that they see the agreement up front. It is suggested that the RFP be submitted to the City Attorney or LMC Attorney for review prior to distribution.

4.6 Leases/Contracts

All lease and contractual agreements need advance approval by the finance department and legal counsel. Lease/Contract periods for more than one year must be approved by City Council resolution. Lease/Contract documents shall not contain auto-renewal language unless deemed to be in the City's favor.

4.7 On-Line Purchases

The following guidelines are recommended for purchasing products over the Internet:

- Only purchase from vendors that use secure servers for e-commerce. Most sites will have a disclaimer, but some do not have the disclaimer language. If in doubt, either send an e-mail to the vendor or call them.
- When using a credit card, follow the standard purchasing guidelines that are used when paying by credit card on the telephone. It is generally safe to use a credit card on the Internet, but be cautious - see the first item in this subsection.

Section 5. Payment

The City of Mound uses various processes in making payments for goods and services.

5.1 Standard Purchase Orders

Purchase orders are used when required by the vendor to acknowledge the city's request for goods and services. A copy of the purchase order will be sent to the vendor when requested.

- Obtain purchase order/number from finance department along with necessary approvals.
- Once invoice is received and purchase order complete, return completed purchase order with invoice attached and authorization for payment to the finance department.

Purchase orders are also required to be approved in advance by the City Manager for purchases between \$5,000 and \$100,000 unless exempt, see section 3.

5.2 Invoices / Check requests

- Vendor payments are made only off of original invoices to avoid duplicate payment. Invoices must be included the proper authorization(s) and purchase order, written quotes, etc.
- Official Check Request Forms are used for claims that do not have an invoice,

often to reimburse or refund a customer.

5.3 Immediate Payment

The finance department policy is for bills to be paid on the claims list and the checks cut after Council approval has been received. For certain exceptions, immediate pay, also referred to as a "manual batch", may be used under the following guidelines:

- Immediate pay is for payments that need to be made prior to claims list. Such items include getting discounts, avoiding late charges (i.e.: credit card payments), purchases requiring payment with delivery, etc.
- Immediate pay checks are issued on a weekly basis, as needed. All requests for immediate pay checks must be submitted to the finance department prior to noon on Wednesday.
- Checks will be issued, mailed, or returned to the appropriate department on Thursdays. All of the regular documentation must accompany requests for immediate pay (purchase order, check request, invoice or expense voucher).

5.4 Blanket Purchase Orders, Charge Accounts, and House Accounts

- The city uses blanket purchase orders, charge accounts, and house accounts for frequently used vendors. This process requires submission of receipt with an account code and the appropriate approvals. All new open accounts must be authorized by the requesting department head and finance department (example: True Value, Super America and Jubilee Foods).

5.5 Statements

- The finance department tracks all statements—reviewing for old invoices or credits. For vendors where the city has open accounts, the finance department only pays once a month after matching invoices to the statement.
- All statements are to be mailed directly to the finance department.

5.6 Account Coding

All requests for payment including check request, purchase order, or expense voucher must have an eleven digit code to process payment. Refer to department budget for reference of line item code.

Helpful hints for completing payment process:

- Eleven digit code — 101 (fund) 41500 (department or project) 210 (expense line item - office supplies)
- Description - specific description of up to 30 characters.

- Vendor information and address.
- Invoice Number — important to prevent duplicate payment.
- Computer generated material preferred. Handwritten is acceptable if legible.

5.7 Petty Cash

- Used for reimbursement to employees for items \$25 or less for expenditures made on behalf of the city.
- An expense voucher must be completed, with a receipt attached, with proper departmental authorization obtained prior to reimbursement.
- Reimbursements must be approved by a Department Supervisor.

5.8 Guidelines for Payment Processing

- Invoices must be attached to the check request, purchase order, or expense voucher.
- Processing of payments on claims - invoices are due by noon on the Tuesday before a City Council meeting, which are held the second and fourth Tuesday of the month. Payments are mailed by the Friday after the meeting.
- Immediate pays are due by noon on Wednesday in the finance department, with checks issued the following day.
- All requests for payments must have eleven-digit code to process payment. Refer to department budget line item codes for proper coding.

5.9 Credit Cards

Department Supervisors are issued a city credit card to allow for more efficient purchasing and to make purchases at businesses that no longer allow open accounts. To assist the finance department in ensuring consistency, accuracy, and thoroughness, credit card holders must follow the FIN-005 Credit Card Purchasing Policy. Credit cards should not be used for vendors who are typically paid by check from the City.

5.10 Electronic Funds Transfer

Electronic Funds Transfer may be required in some cases to complete a business transaction. The funds are transferred electronically from the parties bank accounts. Some instances may include transactions with the State of Minnesota, a federal agency, another local government, bond payment agent or a closing agent in the purchase or sale of real estate. These transactions need to follow the same guidelines for payment processing in Section 5.9.

5.11 Expense Reimbursement

Expense vouchers are required for reimbursement to employees of city-related expenses on a monthly basis. If larger expenses are incurred, more than one voucher may be reimbursed in one month. All expense vouchers must contain proper account codes, department approval, and receipts must be attached where applicable. Please refer to the staff expense and out of state travel policies for further guidelines. Reimbursement requests in excess of 45 days from the date the expense is incurred may be denied.

Section 6. Agreement Processing

6.1 Agreement Forms

Agreements need to be reviewed by the city attorney unless they follow a previously used format. However, if attachments to the agreement modify the agreement or provide new terms, the agreement should be reviewed by the city attorney. The city attorney's review must occur prior to submission for a council agenda and/or signatures.

- The city attorney must review an agreement if it is written on the other party's form, or if a special agreement is being drafted.
- Please note: These provisions apply to **ALL** agreements, including maintenance agreements, service contracts, lease agreements, etc.

Authorization Levels

- The city manager is authorized to sign agreements within budget, less than \$100,000, and with a term of less than one year, unless it is for a consultant that did not appear on the annual list of approved consultants.
- Council authorization is required where a contract term is for greater than one year or the cost is \$100,000 or over. The actual agreement must be attached to the resolution as an exhibit.

Signatures/Official Records

- Once the agreement is approved, the other party should submit the original of the agreement for signatures (as many original copies can be submitted as required, but the city requires one original copy for the responsible department). The agreement packet must include the agreement, any required bonds, and the certificate of insurance.
- The Department of Finance and Administrative Services will maintain a database of fully executed agreements. Once the agreement has been fully executed, a PDF with all the attachments must be submitted to the Department of Finance and Administrative Services to be stored in the central file database. The originating department may keep the original in the department files.
- Finance Department will maintain a master list of service contracts, including the effective dates, date the insurance expires, and any special conditions, for instance, if the agreement calls for performance by a specific date.

6.2 Contacts for Services - Social Services and Other Non-profits

An expenditure of public funds must have both a public purpose and specific statutory authority. Although charities and other non-profit entities may benefit their communities, government entities may not donate to them without specific statutory or charter authority. For example, while the Red Cross works to benefit the public, a local unit of government is not specifically authorized to donate funds to it.

Public entities may contract with a non-profit entity for a particular service that the public entity is authorized to provide. To avoid allegations that an impermissible donation has been made, the public entity should enter into a written agreement with the non-profit entity, documenting what the public entity is receiving in exchange for the payment.

Exhibit A of this policy includes the State of Minnesota Office of the State Auditor Statement of Position on Public Expenditures: Donations and Dues for further reference.

Section 7. Capital Outlay And Capital Assets

7.1 Capitalization Threshold

Capital outlay purchases are for items costing more than \$10,000, are a tangible asset, and have a life expectancy of more than one year. These items must be included in each department budget in expense account 5XX and become a recorded capital asset. It should be noted that delivery charges and sales tax must be included as a cost of the item purchased when determining if the purchase is a capital outlay item.

The amount to record for that capital asset would be any charge “to place the asset in its intended location and condition for use.” For example if the city were to purchase a street vehicle, all of the following would be considered part of that asset: the vehicle, warning lights, decals, delivery charges, sales tax, licensing, and any other costs to put the asset into its usable condition. Like items that are used together, for example – meeting room chairs, that are used together can also be bundled and considered a capital asset if the total value exceeds \$10,000.

7.2 Acquisition

All acquisitions should follow the city’s capital replacement schedule when applicable.

7.3 Tracking and Transfer

Once the asset is recorded on the city’s financial accounting system, it is the responsibility of the assigned department to notify the finance department of any assets that have been transferred to a different department. In addition, at the end of the year, a physical count of all capital assets will need to be done by each department assigned assets. This count will be done at or near the end of the calendar year and performed by the department head. Each department will be provided a list of assigned assets from the city’s depreciation schedule by the finance department. The count will then be

made by the department with any discrepancies noted on the list provided. By year end, each department should report its asset disposals for the year to the finance department.

Section 8. Disposal of Surplus Property

8.1 Auction or Trade In

The city has the option to sell surplus items at a public auction, usually held by Hennepin County.

The auction house will forward a tabulation of the bids received along with payment. The information is reviewed by the equipment manager and then the payment is forwarded to the finance department.

A department may also trade in a vehicle when purchasing a replacement as long as the trade in value approximates fair market value. Any proceeds from a trade in are treated as a gain or loss on the sale of capital assets and are never used to reduce the basis of the replacement item.

A capital asset disposal form must be filled out when an item sold at auction or traded in.

8.2 Computer Equipment

When a piece of computer equipment has reached the end of its useful life with the city, the hard drive must be removed and shredded and hardware disposed of by a computer recycling vendor.

Section 9. Federal Grants (new section)

9.1 Grant Requests and Awards

- All Federal Grants shall be identified by:
 - a. Catalog of Federal Domestic Assistance (CFDA) number (##.###) and title
 - b. Federal award ID and year
 - c. Name of federal awarding agency
 - d. Pass-through entity's name (if applicable)
- All requests for grant award payments are to be reviewed by the Administrative Services Director to ensure all costs are allowable in accordance with Subpart E Cost Principles and the terms and conditions of the award and the Administrative Services Director shall be the authorizing official to certify expenditures and reporting.
- City Council authorization to apply for and accept federal grants will identify any requirements, including, but not limited to, reporting requirements, matching funds, procurement and/or disposal restrictions, and ongoing maintenance expenses. The

authorization will also name the Administrative Services Director as the authorizing official for grant reporting and certification.

- A Single Audit will be conducted for any year the City earns greater than \$750,000 in federal grants.
- Sub-recipient agreements shall be executed with any pass-through entities.

9.2 Grant Expenditures & Procurement

- Procurement of items related to a Federal Grant shall follow this Purchasing Policy, including Section 4. Purchasing Alternatives and Section 4.1 Sealed Bids and all state and federal rules and regulations.
- Standard payroll processing procedures shall be followed with the exception that any personnel compensation shall be documented with a daily log indicating the date, time and description of activities that are to be reimbursed with Federal Grant Award dollars. This log shall be reviewed by the employee's supervisor or the City Manager.
- Grant administration and related expenditures and procurement shall follow the internal control practices established by the City, including proper segregation of duties and adherence to accounting controls. Personally identifiable information (PII) and sensitive data as defined by a Federal Agency or pass-through entity shall be accessible only by employees who have been determined to have need for the information.
- Payments to sub-recipients are:
 - a. Not required to be maintained in separate depository accounts for federal awards,
 - b. Required to be accounted for by receipt, obligation and expenditure of federal awards. Documentation must be kept and very good descriptions used on expenditures entered into the financial system.
- Contracts using Federal Grant Awards shall be made only with responsible contractors that can perform successfully meeting the requirements and terms and conditions of contract award based on:
 - a. Contractor integrity
 - b. Compliance with public policy
 - c. Record of past performance
 - d. Financial and technical resources
- Any and all conflicts of interest that may relate to a Federally Awarded Grant must be disclosed in writing to the City Manager and to the Grant Issuing Federal Agency.

9.3 Grant Reporting

- Annual and final fiscal reports or vouchers requesting payments for Federal Grant Awards shall include the following certification signed by the authorizing official:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objective set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code title 18, Section 1001 and Title 31, Sections 3729 – 32730 and 3801-3812).”