

BUSINESS OFFICE MANUAL



Revised FY21

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I. GENERAL INFORMATION

- a. The Business Office at Parkland College consists of two (2) unique areas which all report to the Vice President for Administration/Chief Financial Officer. The areas are as follows:
 - i. Business Office, located in A108, which houses the Controller, Purchasing Agent, Accounts Payable, Senior Accountant, Payroll Accountant, and Payroll Manager.
 - ii. Cashier's Office, located in U250, which houses the Accounts Receivable/Cashiers and Accountant.
- b. Below is a listing of individuals who hold these positions, their location, and contact information:
 - i. Chris Randles, Vice President/CFO, U307, Ext 2513, crandles@parkland.edu
 - ii. Dave Donsbach, Controller, A111, Ext 2393, ddonsbach@parkland.edu
 - iii. Gwen Smith, Senior Accountant, A108, Ext 2514, gsmith@parkland.edu
 - iv. Lauren Craig, Purchasing Agent, A108, Ext 2232, lcraig@parkland.edu
 - v. Beth Hewing, Accounts Payable, A108, Ext 2886, bhewing@parkland.edu
 - vi. Deanna Blackford, Payroll Manger, A110, Ext 2335, dblackford@parkland.edu
 - vii. Carrie Marvin, Payroll Accountant, A108, Ext 2488, cmarvin@parkland.edu
 - viii. Kevin Tiedemann, Accountant, U250, Ext 2234, ktiedemann@parkland.edu
 - ix. Kristin Mitchell, Accounts Receivable/Cashier, U250, Ext 2362, kmitchell@parkland.edu
 - x. Nicole Olmo, Accounts Receivable/Cashier, U250, Ext 2215, nolmo@parkland.edu
- c. This manual should be used in conjunction with Parkland College's Policy and Procedure Manual and all Appendixes that are attached to the Policy and Procedure Manual.

II. FINANCIAL MANAGEMENT

- a. Parkland College must report all financial information based upon the guidelines established in the Fiscal Management Manual issued by Illinois Community College Board. These guidelines ensure that Parkland College maintains its fiduciary responsibility to its taxpayers to keep detailed internal financial records and make certain funds are spent in a prudent and responsible manner.
- b. In order to maintain fiduciary responsibility, the College requests each Department report revenues and expenses using an eighteen-digit account number. This number consists of four distinct parts.
 - i. The first two digits represent the specific **fund**.
 - ii. The next four digits represent the **function**.
 - iii. The next five digits represent individual **departments**.
 - iv. The last seven digits represent the **object code**. These object codes describe specific revenue or expenses defined by the Illinois Community College Board. Accurate use of these object codes allows financial information to be easily collected and recorded by individual departments and the Business Office.

Account Number Breakdown:

01 - 0000 - 12345 - 5401001

Fund-Function-Department-Object Code

- v. The Codification System and Descriptions can be found on the [ICCB website](#), in the Fiscal Management Manual.
- vi. For questions regarding department and object codes, please contact the Business Office.

III. PURCHASING

a. Purchasing via Purchase Orders

- i. A purchase order is required for all purchases made on behalf of the College. Purchase orders are created by the Purchasing Agent from requisitions that have been submitted by the end user and have been approved by that person's Vice President, Dean, Director, or Department Chair. In addition, all requisitions must be approved by the Vice President/CFO or Controller before a Purchase Order will be created.
- ii. The requisition process is fully automated, and requisitions are electronically forwarded to the appropriate people for their approvals.
- iii. This process occurs in real time and Purchase Orders are created daily.
- iv. Please follow one of the links below for step-by-step directions on how to create a requisition.

b. Purchasing via P-Card

- i. The purpose of this section is to provide Parkland College employees with information about the P-card program and guide employees in the use of their issued credit card in a manner that ensures compliance with State and Federal regulations and College Policies and Procedures.
- ii. **Cardholder agrees to accept responsibility for the protection and proper use of the Purchasing Card (P-card) in accordance with the terms and conditions below:**
 1. If the card is lost or stolen, the Cardholder shall immediately notify one of the P-card Coordinators: Beth Hewing, Ext 2886, or Gwen Smith, Ext 2514, their Supervisor, and Commerce Bank at 1-800-892-7104 in USA, or 1-402-691-7800 if outside the USA.
 2. **THE CARDHOLDER MAY NOT MAKE PERSONAL PURCHASES ON THE CARD.** If a cardholder accidentally uses their P-card for personal expenses, they should alert their supervisor and a P-card Coordinator as soon as possible. Cardholder must submit reimbursement to Parkland College via Accounts Payable for the personal expense. Documentation of reimbursement will be retained with the Transaction Log report.
 3. The Cardholder understands that they shall be personally liable for any improper use of the P-card. The Cardholder understands that misuse of a P-card, or failure to follow established procedures may result in the P-card being revoked, or the Cardholder may be subject to disciplinary action, up to and including, termination of their employment, and that improper use of the P-card may subject the Cardholder to criminal prosecution. The Cardholder understands that the College may withhold amounts attributable to

improper use by the Cardholder from any paycheck as provided by Federal and State laws.

4. The Cardholder understands that should their employment with the College terminate for any reason, the P-card must be returned to one of the P-card Coordinators. The Cardholder understands that the College may withhold their final paycheck until the P-card is returned. The Cardholder also understands that the College may withdraw authorization to use the P-card and require the return of the P-card at any time, for any reason.
5. The Cardholder understands that use of the P-card is for the purchase of commodity items and travel expenses of less than \$1,000 per purchase, subject to individual card limitations on expenditures for use in official College business. All purchases must comply with Parkland's Policy & Procedures on purchasing. Purchases exceeding \$1,000 require a purchase order generated through the College's financial system. If in doubt that a purchase is authorized under this agreement through the use of the P-card, cardholder understands that they should seek prior approval from one of the P-card Coordinators. Such approval presumes the proper use of the P-card.
6. Certain items are prohibited for purchase by the College and may not be purchased using a P-card. These include:
 - a. Weapons
 - b. Gift Cards
 - i. Gift cards can be considered compensation when given to regular or student employees. The value may need to be taxed per IRS guidelines. If the purchase of gift cards is approved by the Supervisor and the Business Office, the cardholders should contact payroll to discuss the gift card purchase to determine if tax adjustments must be made.
 - c. Alcohol
 - d. Charitable Contributions
 - e. Hazardous Chemicals and Radioactive Materials
 - f. Political Contributions
 - g. Prescription Drugs
 - h. IT Hardware and Software
 - i. Purchase of IT hardware, software, and services requires pre-approval by the Chief Information Officer, in addition to the cardholder's supervisor,

to ensure compatibility with existing systems as well as agreement on future replacement requirements.

i. Office Furniture

- i. This includes but is not limited to desks and chairs. These items should be ordered through purchasing.

7. The Cardholder agrees to provide the supporting receipts from vendors and a Transaction Log for each transaction as designated by the Business Office under the College's policies and procedures. Failure to report or document any purchase may be deemed an improper use of the P-card which may require the employee to reimburse the College for the improper expense.
- a. **The Cardholder needs to obtain an itemized receipt for each purchase.** The receipts are necessary to confirm transactions and support the College in the event of an audit. The Cardholder should be especially mindful of this when purchasing meals, as some restaurants will only return the summary receipt with the total and the tip. In this case, a detailed receipt which lists the meals and drinks purchased must be requested. The Card cannot be used while travelling. The College pays the traveler for meals based on the [IRS per diem rates](#). Meals and events for multiple people require a list of EVERY person for whom reimbursement is requested: (i.e.: employees, students, community members). Good
- b. Parkland is exempt from Illinois state sales taxes. When making purchases in Illinois, the Cardholder should inform the vendor that Parkland is tax exempt and request sales tax to be removed from the bill. Parkland's tax-exempt ID appears under the Cardholder's name on the P-card and can be recorded by the merchant for their documentation. By taking advantage of Parkland's exempt status and not paying sales taxes, Parkland is able to maximize the College's purchasing power.
- c. Each month, Cardholders need to reconcile their statements with their receipts. This will ensure that appropriate documentation is available for review and that there are not incorrect or fraudulent charges on the account. If a purchase receipt is missing, cardholders should fill out the

Missing Receipt Affidavit, available from a P-Card Coordinator, and submit it with their report.

- d. Each month, Cardholders must submit their completed Transaction Log, statement, and receipts to their supervisor. The Cardholder and supervisor both must sign and date the Transaction Log as documentation of the supervisor's review and approval of the purchases. Then the report must be submitted to Accounts Payable by the deadline issued.
- c. Payment guidelines for allowable college paid discretionary expenditures.
 - i. The following guidelines exist to ensure accountability and responsibility for payment and reimbursement requests. Reference the items listed below to determine if the charge is considered an allowable expense to be paid using College funds.
 - ii. Questions should be referred to the Business Office Purchasing Agent or Senior Accountant PRIOR to expending College funds.
 - iii. Any and all exceptions to the guidelines below require advance approval from a Vice-President.

<i>EXPENSE ITEM</i>	<i>ALLOWABLE EXPENSE YES or NO</i>
Flowers (Bereavement)	Through the President's Office only.
Holiday & Greeting Cards (Internal & US Mail)	Through the President's Office and/or Foundation only.
Institutional Promotional Items (i.e., cups, pens, shirts, thank you cards, etc.)	Through Marketing & Creative Services Department.
Institutional Promotional Items used for Parkland Programs	The Department in coordination with Marketing & Creative Services.
Food and Non-Alcoholic Beverages for meetings	No.
Bottled Water Deliver/Dispenser	President's Office, Foundation, Center for Excellence, Human Resources ONLY.
Professional Development Day Lunch/Food	\$10.00/Employee Maximum.

Employee Service - Longevity Recognition	Through Human Resources only.
Employee Retirement - College Luncheon	Through Human Resources only.
Employee Retirement - Department Party	Sheet Cake & Punch only.
Farewell Party	No.
Job Promotions	No.
Job Transfers	No.
Birthdays	No.
Wedding Showers	No.
Baby Showers	No.
Employee/Student Graduation Parties	No.
Bosses Day	No.
Professional Assistants Day	No.
Lunch for guests, speakers, or consultants	With approval of the appropriate Vice President.
Office Holiday Parties (Christmas, Halloween, etc.)	No.
Travel	
Meals (Not to Exceed IRS Per Diem Rates)	
Breakfast	Yes – Leave home before 6:00 a.m.
Lunch	Yes – Travel must commence prior to 11:30 a.m. and extend beyond 2:00 p.m.
Dinner	Yes – Arrive home after 6:00 p.m.
Alcoholic Drinks	No.

Local Event Attendance	
Parkland Sponsored & Co-Sponsored (i.e., MLK Day Event)	
Beverages (all)	No.
Donations	No.
Mileage	No.
Ticket	Yes – With approval of appropriate Vice President.
Non-Parkland, Community Events	
Beverages	No.
Donations	No.
Mileage	No.
Tickets	Yes - With approval of appropriate Vice President.

- iv. Administration reserves the right to amend and revise this document as necessary to reflect changes made to its practices & procedures. Employees are responsible for reviewing the procedures periodically to ensure continued compliance with all Board Policies & Procedures, Business Office Manual procedures, and institutional procedures.

d. Bidding Policy and Procedures

- i. Proposed purchases must be approved by the Chief Financial Officer.
- ii. Purchases of Budgeted Items Under \$20,000.00
 - 1. Requests for purchases under \$20,000.00 are initiated by faculty and staff and are processed electronically through the College’s Financial System. Once all appropriate approvals have been given, the Purchasing Agent will issue a college purchase order.
- iii. Purchase of Budgeted Items in Excess of \$20,000.00
 - 1. When any purchase that is to be made by the College is in excess of \$20,000.00, it must be bid according to the Illinois Public Community College Act. The requestor will work with the Purchasing Agent, under the direction of the Chief Financial Officer and/or Controller, to prepare the bid.

iv. Purchase of Budgeted Items in Excess of \$20,000.00 but Exempt from Bid Procedures

1. The [Illinois Public Community College Act](#) exempts some expenditures in excess of \$20,000.00 from formal bid. Some of the commonly used exemptions are as follows:
 - a. Contracts for maintenance or servicing of, or provision of repair parts for equipment, which are made with the manufacturer or authorized agent of that equipment where the same can best be performed by the manufacturer.
 - b. Purchase and contracts for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services.
 - c. Purchases of equipment previously owned by some entity other than the district itself.
 - d. Contracts for goods or services procured from another governmental agency.
 - e. Other exemptions as covered in ILCS 805/3-27.1 of the Act.
2. Even though these items are exempt from formal bid, [College Policy and Procedures](#), Chapter 6, dictates that these items are presented to the Board of Trustees as an exempt purchase. The requestor will work with the Purchasing Agent, under the direction of the Chief Financial Officer and/or Controller, to prepare the recommendation for the Board of Trustees approval.

v. Timelines for Bid Procedures

1. A minimum of six (6) weeks must be allowed prior to the Board of Trustees meeting at which approval of proposed purchase is to be considered.
2. Specifications need to be received by the Purchasing Agent at least six (6) weeks prior to the Board of Trustees meeting at which approval of the proposed purchase will be considered.
3. Required Activity
 - a. Specifications to Purchasing Agent, Controller, or Chief Financial Officer
 - b. Bid Documents readied for mailing (1 to 2 weeks)
 - c. Legal Advertisement published 10 days prior to bid opening (1 week)
 - d. Purchasing prepares recommendation of award for submission to Executive Office (1 week)

- e. Recommendation of award submitted by Purchasing to Executive Office (2 weeks prior to Board Meeting)
 - f. To Board of Trustees Meeting – (3rd Wednesday of Month)
4. Special Notes
- a. Funding source does not affect or change bid process.
 - b. Purchases from the same vendor cannot be separated out into different requisitions to bring total purchase below \$20,000. This is called order splitting.
 - c. Refer any questions regarding bid process to the Purchasing Agent, Controller, or Chief Financial Officer.
- e. Check Requisitions
- i. Half-Sheet Check Requisition forms are ONLY used for:
 1. Communication to Purchasing Agent when user does not have access to certain account numbers. Purchasing Agent will enter this information as a requisition online.
 2. Paying a vendor who does not supply an invoice. Example would be a student winning an award from a department.
 3. Backup information for Accounts Payable.
 - ii. Check Requisition Instructions
 1. Forms are to be filled out as completely as possible.
 - a. If the payee is Parkland employee, be sure to include the payee's Parkland ID number.
 - b. If payee is not a Parkland employee be sure to include a completed W-9 form.
 2. Any payment for services rendered to the College (i.e., by a consultant, sports referee, etc.) MUST include a social security number or FEIN.
 3. A specific explanation is required; information is listed on Monthly Report distributed to Board of Trustees. If expenditure is for a workshop, use complete workshop name instead of identifying number.
 4. List the Budget line item from which the expense is to be taken in the Accounting Distribution Codes area.
 5. The staff member requesting the check requisition signs in the Originated by area.
 6. A copy of the Check Requisition form can be found online by searching under the Business Office Department in the following link, <https://my.parkland.edu/forms/default.aspx>.

f. Internal Chargebacks

i. The following supplies/services are charged back to the departments at the beginning of the month:

1. **Bulk Mailing Cost:** The mailroom will supply the Business Office with a spreadsheet each month indicating account number, department, what was mailed, and the cost of that mailing. The Business Office will then do a journal entry (JE) charging the cost to the department.
2. **Copier Paper Cost:** The mailroom will supply the Business Office with a spreadsheet each month indicating account number, department, and monthly total of copier paper delivered. The Business Office will then do a journal entry (JE) charging the cost to the department.
3. **Reprographics Charges:** The Print Shop will supply the Business Office with a spreadsheet each month indicating account number, department, number of printing jobs, and total cost for the month. The Business Office will then do a journal entry (JE) charging the cost to the department.
4. **Student Van Rental:** Public Safety will supply the Business Office with a spreadsheet each month. The spreadsheet contains the account number, department, miles, and cost. The Business Office will then do a journal entry (JE) charging the cost to the department.
5. **Office Supplies:** The College has set up a just-in-time purchasing program for office supplies with two vendors. Departments are given access to both vendor websites to order their office supplies. All orders are then approved by the Purchasing Agent. The two vendors bill the College once a month. The invoice contains account number, department, person ordering, delivery location, and cost. The Business Office will then do a journal entry (JE) charging the cost to the department.
6. **Departments are responsible for providing the correct account numbers for the above chargebacks.**

g. Travel

i. For complete information concerning regulations, which guide and govern College travel, please refer to the [Policy and Procedures Manual](#), Section 3.18. In addition to finding the most economical way to travel, the College also encourages supporting the local economy. If you are traveling via air for College business be sure to check fares departing from Willard Airport. The following is provided as a supplement to that information.

- ii. Travel requests are initiated by the requestor after consultation with the appropriate supervisor.
- iii. The initial request should contain:
 - 1. As complete a listing of estimated expenses as is possible.
 - 2. Amount required for an advance and information/instructions for handling of advance check. **Indicate special instructions CLEARLY on the travel form and note significant deadlines for submission of registration fees.**
 - 3. Registrations, Hotel Reservations, and Airline Tickets must be done on a Purchase Order or P-Card.
 - 4. Valid account number(s) to which travel will be charged **MUST** be shown.
 - 5. Signature of the “originator”. **Please note that when the originator signs the travel request, they are agreeing to reconcile the expenses incurred toward an advance within 10 days of return.** Future advances may be denied, and unreconciled amounts withheld from originator’s pay.
- iv. Obtaining Required Approvals
 - 1. Following the completion of the steps listed above, the originator will have their department administrative assistant or designee enter the information as a requisition.
 - 2. Once the requisition is completed the department will send the Travel and Expense Voucher form to the Purchasing Agent. The requisition will be routed to the appropriate people for approvals before a purchase orders is created.
- v. Before the Trip Occurs:
 - 1. If an advance has been requested, or if advance registration arrangements are needed, Accounts Payable will handle these arrangements per instructions given to them by the originator, either on the form itself or attached by note to the form.
 - 2. If an advance made payable to the originator has been requested, the check will be processed in the batch closest to the date of the trip. The check will be held for pick-up in the Business Office safe.
- vi. During the Trip:
 - 1. Please refer to the [Policy and Procedures Manual](#) for detailed information concerning appropriate practices and expenses.
 - 2. During the trip, all receipts for expenditures should be retained to be submitted for reimbursement/reconciliation when the travel is concluded.

- vii. After the Trip is Completed:
 - 1. The originator should submit the travel request, indicating all information as requested on the travel form in the expense column marked “actual” and listing actual totals expended. Finally, any advance received should be deducted, and the amount either due the traveler or the amount they are required to reimburse the College (if the amount advanced is in excess of the corresponding travel expenses) should be listed.
 - 2. All applicable original receipts should be attached to the travel request. Copies of receipts should be retained by the traveler and by the department office for their records. If there is a balance due to the originator, a check will be processed in the earliest possible batch after the final approval process is completed.
- viii. A copy of the Travel and Expense Voucher form can be found online by searching under the Business Office Department in the following link, <https://my.parkland.edu/forms/default.aspx>.

IV. CHECK PROCESSING

- a. Accounts Payable will process checks at least once a week, on Thursday. For a payment to be processed, all documents, approvals, and purchase orders must be to the Business Office by Tuesday at 5:00 p.m. This time is subject to changes depending on the time of year.
- b. **The Internal Revenue Service requires that all vendors must have an IRS form W-9 on file with the Business Office.**
 - i. Vendors will not be paid until the W-9 is submitted.
 - ii. Questions pertaining to this requirement should be directed to the Controller at Ext 2393, or the Chief Financial Officer at Ext 2513.
- c. Bank reconciliation policy
 - i. This is to be used as a general guide and should be tailored to operations.
 - ii. All Parkland College bank accounts are reconciled monthly. The reconciliation identifies the differences between the College's records and that of the bank. This process will identify errors in recorded transactions and will be used as a control for error or fraudulent activities.
 - iii. The monthly bank reconciliations are to be properly completed, dated, and signed by both the preparer and reviewer/approver and be maintained on file for subsequent review and audit.
 - iv. The College will select the employee(s) to prepare the written monthly bank reconciliations.
 - v. Bank statements are received via US mail and/or banking websites.
 - vi. Reports to reconcile the bank are run by the 10th of each month.
 - vii. Bank reconciliations are prepared within 30 calendar days after month end.
 - viii. Bank reconciliations are reviewed and approved by the Controller/CFO within 15 calendar days of completion.
- d. Bank reconciliation process
 - i. **Bank 01, Cash Account**
 1. Retrieve the bank statement from Busey Bank's website. Operating account and Sweep account are on one document.
 2. Run the Synoptix report named Cash. This report can be found in Synoptix, under the Reports folder, then in the Gprice subfolder.
 3. Use the total of the Operating and Sweep accounts for the month ending balance.
 4. List interest as a separate line item on the reconciliation sheet.
 5. Use the interest spreadsheet to record the interest in Colleague.
 6. Download check reconciliation file from Busey Bank. Email this file to appropriate Campus Technologies employee. When they release the file, complete the following steps:

- a. Run LBRT. Bank code is 01. Save and update.
 - b. Run RCFT. Leave the date as it is. Save and update. Print report and correct any errors.
 - c. Go to RECM to manually clear checks (i.e.: payroll, wires, errors etc.). Bank Code is 01.
 - d. Go to SCKR to get the outstanding check register. The beginning report date should be 7-1-08. The end report date should be the end of the month being reconciled. Say yes to additional selection criteria. Enter the following additional selection criteria: With, chk.current.status, equal to "O". Save and update.
7. Helpful screens on Colleague to research items are GLBR, GLTB, and SSRC.
- ii. **Bank 02, Credit Card Account**
1. Retrieve the bank statement from Busey Bank's website.
 2. Run the Synoptix report named Cash. This report can be found in Synoptix, under the Reports folder, then in the Gprice subfolder.
 3. CREN the interest received.
 4. Voucher (CD) any fees paid.
 5. You have to manually clear any vouchers. Go to RECM. Bank code is 02.
 6. Helpful screens on Colleague to research items are GLBR, GLTB, and SSRC.
 7. Helpful websites are Official Payments, Paya/Sage, and Nelnet.

V. BUDGET CHANGES AND CORRECTIONS

- a. Budget changes and corrections should be emailed to the Senior Accountant from the person who is ultimately in charge of that account number.
- b. When emailing your request, please include the following information.
 - i. Account number the funds are coming out of.
 - ii. Account number the funds are going into.
 - iii. Reason for the transfer and/or the correction that needs to be made.
 - iv. In accordance with Parkland College's budget control principles, salary line item funds cannot be transferred into any other line item account or vice versa without approval from the appropriate Vice President.

VI. FIXED ASSETS

- a. The purpose of this policy is to set forth the regulations and procedures governing the control and reporting of capital assets. It is intended to assist personnel in implementing and maintaining an effective property control program. The implementation of an effective and accurate process for tracking fixed assets is necessary for several reasons:
 - i. The college prepares financial information using the Generally Accepted Accounting Principles (GAAP). Government regulations require the college to track an asset's cost, depreciation, and the disposal of the asset. Assets that will be depreciated have been categorized and assigned a depreciation life. (For example, technology equipment has an expected book life of three (3) years).
 - ii. The college also utilizes asset records for insurance purposes. In the event of a loss, it is necessary to have an accurate record of the asset to ensure adequate insurance coverage of the item.
 - iii. The most important reason is accountability. Assets are purchased using taxpayers' funds. It is important to have a process in place to account for the use of taxpayers' funding.
- b. **All equipment with a minimum individual value of \$2,500.00 or an aggregate value of at least \$2,500.00 must be tagged as belonging to the College and is considered a Fixed Asset.** Examples: Furniture, Computers, Audio Visual Equipment, Vehicles.
- c. All items shall be tagged, upon receipt, with a unique number to be entered into the Fixed Asset Module.
- d. Once the Asset is tagged, the Business Office will enter the following information into the Fixed Asset Module:
 - i. Tag number
 - ii. Purchase order number
 - iii. Voucher number
 - iv. Vendor number
 - v. Cost
 - vi. Useful life of the asset
 - vii. Brief description
 - viii. Make/Model
 - ix. Serial number
- e. In order to maintain accurate asset records, asset disposals shall be recorded promptly to the Business Office. These records shall reflect whether the items have been designated as surplus, traded in, sold, stolen, or destroyed. When property is beyond repair or is no longer needed, the equipment item must be reported to the Business Office for appropriate disposal.

VII. GRANT PROCEDURES

- a. See the [Grants Management Handbook](#) for grant application procedures and grant management information.
- b. **The Grant Administrator coordinates with Business Office once grant is approved.**
- c. Upon notification that a grant has been awarded to the College, the designated administrator of the grant should contact the Business Office to set up an appointment with the Controller and the Senior Accountant to explain the purpose and requirements of the grant.
- d. The grant administrator should provide the Business Office with the following information.
 - i. A copy of the approved grant application and award letter.
 - ii. A copy of the signed grant agreement.
 - iii. A copy of the approved budget.
 - iv. The name of original funding source (e.g., U.S. Dept. of Education JTPA - Department of Labor).
 - v. A copy of financial reporting requirements.
 - vi. Any relevant dates and deadlines for the grant.
 - vii. The grant agency name.
 - viii. The agency contact person, email address, and telephone number.
- e. **The Senior Accountant monitors grant budget.**
- f. The Senior Accountant will establish Parkland College budget account numbers within the College's system for the grant budget.
- g. Regular College procedures should be followed for processing payroll, requisitions, etc., with the following exception.
- h. Grant budget transfers may be transmitted by the grant administrator directly to the Senior Accountant.
- i. The Grant Administrator and the Senior Accountant should communicate frequently in order to collaboratively monitor the budget, reconcile accounts, and solve problems in the budget/financial section of the grant.
- j. Cost Allocation Policy
 - i. The College will properly support costs by cost allocation plans in accordance with applicable grant guidelines, The Illinois Public Community College Act, Federal Statutes and ICCB rules. Along with this or in the absence of the aforementioned the College will allocate costs based on principles describe in PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS. The principles for cost allocation are listed below. All charges must be:

1. **Reasonable** - A prudent person would have purchased this item and paid this price.
2. **Allocable** - Expenses can be allocated to the federal grant or contract activity based on benefit derived, cause and effect, or other equitable relationship.
3. **Consistently Treated** - Like expenses must be treated the same in like circumstances.
4. **Allowable** - Permitted as a direct cost under the terms of a specific grant or contract.

VIII. FEDERAL GRANTS

- a. As a recipient of federal funds, Parkland College must comply with the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) as well as other federal requirements.
- b. **Financial Reporting**
 - i. Accountability is the paramount objective of financial reporting. Accurate, current, and complete disclosure of the financial results of each federal award or program is made in accordance with the financial reporting requirements set forth in 2 CFR § 200.328 - .330. The College collects and reports financial information with the frequency required in the terms and conditions of the award and monitors its activities under federal awards to assure compliance with applicable federal requirements.
 1. Reviewing and generating of expenditure reports is done through the Business Office using the following procedures.
 - a. A general ledger is created for each grant by the Senior Account.
 - b. A detail expenditure report is created.
 - c. From the above two reports, expenditures from each object code are reviewed by the Senior Accountant.
- c. **Accounting Records**
 - i. The College maintains records which adequately identify the source and application (i.e., use) of funds provided for federally-assisted activities. In accordance with federal regulations, these records contain information pertaining to grant or sub-grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest. All transactions are supported by source documentation (i.e., purchase orders/requisitions, invoices, receipts, travel vouchers, time-and-effort documentation and employee salary records, copies of checks, etc.).
- d. **Time and Effort Reporting Policy**
 - i. Parkland College faculty and staff are expected to charge their time to sponsored awards commensurate with the committed effort expended on all activities they perform. All individuals who receive any compensation from a federal award or a non-federal award where the non-federal sponsor requires effort reporting (“Sponsored Projects”) are required to certify their effort. This process ensures that salaries and wages are properly expended and that actual effort is consistent with the committed and budgeted effort.
 - ii. Subpart E §200.430 of the Uniform Guidance includes the federal regulatory requirements for compensation for personal services. This

includes but is not limited to the specified Standards for Documentation for Personnel Expenses. Parkland College's Effort Reporting policy and procedures are intended to meet these requirements.

iii. Policy Statement

1. Time and effort reports shall reasonably reflect the percentage distribution of effort expended by Parkland College employees involved in Sponsored Projects. The Time and Effort report must represent, in percentages totaling 100%, a reasonable estimate of an employee's effort for the period being reported. These reports shall reasonably reflect the activity for which the employee is compensated and shall encompass all activities on an integrated basis. "Effort" includes all research, teaching, administration, service, and any other activity for which an individual received compensation from the College. *Note: Section 200.430(h)(8)(x) states, "It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs [Institutions of Higher Education], a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."*
2. Parkland College may contribute certain "Cost Sharing" resources in sponsored proposals when appropriate. All cost sharing must be pre-approved. These resources may include but are not limited to matching funds, facilities, and/or faculty or staff time. When cost sharing resources are committed and budgeted for in a proposal or sponsored agreement, external sponsors consider the proposed cost sharing to be institutional commitments if such proposals are funded. As such, any voluntary cost sharing commitment should only be made when there are perceived advantages to the institution in receiving the award.
3. Each employee whose time is partially or fully committed to a federally Sponsored Project shall complete Time and Effort reports as required. Reporting is required regardless of whether such time is paid by the sponsor, or is an unpaid contribution, i.e. cost share match. Committed cost sharing must be included in effort reports.
4. Parkland College uses an "after-the-fact" effort reporting system to certify that salaries charged or cost-shared to Sponsored Projects are reasonable and consistent with the work performed. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the employee and certified

by a responsible person with suitable means of verification that the work was performed, generally the Principal Investigator (PI), at the end of the specified reporting periods. Time and Effort reports shall be incorporated into the records of the College and retained in accordance with the sponsor regulations and/or the College's Records Retention schedule.

5. Certain sponsors limit the annual rate of salary reimbursement. Parkland College follows the guideline that states a faculty member should not be compensated in excess of 2/9 of their Institutional Base salary (IBS) for work during the summer. Nevertheless, PIs must still devote the full committed effort as proposed and awarded without regards to the salary reimbursement limitation.
6. The federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely effort reporting. Parkland College expects that PIs will complete time and effort reports completely and in a timely manner. Consequences to not doing so may include, at the discretion of the administration, withholding submission of a new grant proposal and/or or withholding compensation on effort expended. Parkland College also reserves the right to charge cost disallowances on Sponsored Projects resulting from the PI's failure to submit appropriate time and effort reports to the departmental operating account.
7. Definitions
 - a. *Institutional Base Salary (IBS)*: Pay for the employee's primary job responsibilities. The amount of an employee's Institutional Base Salary shall be described in their appointment letter, and thereafter in annual salary letters or amendments to such letters.
 - b. *Committed Effort*: The amount of effort promised to the project in the proposal or included in the award documentation.
 - c. *Principal Investigator (PI)*: the primary individual responsible for the preparation, conduct, and administration of a research grant, cooperative agreement, training or public service project, contract, or other Sponsored Project in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored research.

e. Property Management

- i. Property Classifications Equipment means 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 the College for financial statement purposes, or \$5,000, per 2 CFR § 200.33. The College's capitalization level is \$2,500.
- ii. Supplies means all tangible personal property other than those described in 2 CFR § 200. 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, per 2 CFR § 200.
- iii. Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:
 1. Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; and
 - a. Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance), per 2 CFR § 200.
- iv. Per 2 CFR § 200.313, pursuant to federal regulations, the College holds a conditional title for equipment purchased with federal funds unless a statute specifically authorizes a federal agency to vest title in the College without further responsibility to the federal government. Titles must vest in the College subject to the following conditions:
 1. The College uses the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
 2. The College does not encumber the property without approval of the awarding agency.
 3. The College uses and disposes of the property in accordance with federal rules.
- v. Records for all equipment, including replacement equipment, purchased with federal funds must have the following information maintained.

1. Capital assets are entered in the Fixed Asset Module by the Business Office. The database is balanced to the College's financial reports that indicate a year-to-date total for capital equipment.
 2. All adjustments and disposition are recorded by the Business Office.
 3. Per 2 CFR § 200.313, the percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use, and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property must be recorded.
 4. Per 2 CFR § 200.313, a physical inventory of the property must be taken, and the results reconciled with the property records every two years.
- f. Procurement Policy for Federal Grants
- i. This Procurement Policy for Federal Grants applies to all expenditures of monies received through federal grants, whether those monies come directly from a Federal agency or through an intermediary, known as a "pass-through entity." This Policy does not govern expenditure of funds received from other sources (e.g. research foundations, alumni donations, etc.). While reference may be made from time to time simply to "procurement transactions," this Policy applies only to such transactions funded with federal monies.
 - ii. Federal law imposes particular requirements on the use of federal grants. This Procurement Policy is designed to ensure that Parkland College complies with those requirements. Individual federal grants may contain further requirements that are unique to those grants and in addition to the requirements of this Policy. It is therefore important for Principal Investigators to work closely with the Grants and Contracts Office to ensure compliance with the requirements of each grant.
 - iii. Failure to comply with federal requirements can result in a variety of adverse consequences, ranging from denial of reimbursement to debarment of Parkland from all federal funding, including federal student aid. In certain circumstances, criminal charges may also be brought. Therefore, federal requirements must be scrupulously observed.
 - iv. Ethics and Conflicts of Interest
 1. Parkland College Personnel
 - a. All research must comply with applicable law, regulation and professional best practices. Reports must be complete,

- accurate and truthful. Promptly report observed or suspected infractions to the Grants and Contracts Office.
- b. All individuals involved in expenditure of federal grant monies must avoid any actual or apparent conflict of interest. Such individuals may not derive any personal financial or other benefit from any contract or transaction using federal grant funds. This prohibition includes parents, children (biological, foster, and/or adopted) and siblings, as such close relationships could give rise to an appearance of conflict. In addition, contractors or consultants who draft bid specifications or requests for proposal on Parkland's behalf are thereby disqualified from bidding on those opportunities. While such contractors or consultants are not automatically disqualified from other opportunities, care must be taken to ensure that their work for the College does not give them unfair advantage over competitors.
 - c. Parkland personnel may not accept kickbacks, "rebates," gratuities or other "gifts" or "tokens of appreciation" from vendors. Rebates and discounts to Parkland College are permitted provided they:
 - i. Comport with all applicable law;
 - ii. Provide a direct benefit to Parkland;
 - iii. Result from an arm's-length negotiation, which is fully documented in the file; and,
 - iv. Are consistent with vendor's standard pricing or discounting policies.
 - d. Vendors or suppliers who offer inappropriate benefits or rewards to individual Parkland employees shall immediately be reported to the Grants and Contracts Office.
2. Suppliers or Bidders
- a. To avoid conflict or the appearance of conflict, contractors or consultants who prepare specifications, statements of work or other material portions of requests for proposal shall be excluded from bidding on the underlying work. As with natural persons, parent, subsidiary and affiliated companies must also be excluded.
 - b. Parkland will not accept bids based upon anti-competitive pricing or practices.

3. Reports

- a. Suspected or observed violations of this Policy shall be reported to the Grants and Contracts Office. Parkland strictly prohibits retaliation of any type or nature against anyone for making such reports in good faith. Immediately report any observed or suspected retaliation to the Grants and Contracts Office and to Human Resources.

g. Procurement Processes

- i. Federal regulations place great emphasis on securing the best value for each federal dollar and on promoting free and open competition. Consequently, all purchases using federal funds require a cost/price analysis and documentation showing that more than one vendor was considered. The detail of the analysis and documentation required increases with the amount spent.
- ii. As a general principal, Parkland is responsible for the efficient and effective administration of Federal grants through sound management practices.
- iii. Parkland may not earn or keep any profit resulting from Federal monies, unless such is expressly permitted by the terms of the grant.
- iv. Costs must be reasonable, allowable and allocable.
 1. A cost is “reasonable” if it is one a reasonable person would incur in the circumstances, after appropriate market research and price analysis.
 2. “Allowable” costs must:
 - a. Be necessary and reasonable for the performance of the Federal award and be allocable to that award.
 - b. Duplicative or unnecessary purchases are not “allowable” and are not eligible for reimbursement from Federal grant monies.
 - c. Conform to any limitations set forth in this Policy or in the grant. Consult the Grants and Contracts Office regarding additional requirements attached to particular grants.
 - d. Be recorded and classified in a consistent treatment. For example, costs that are classified as Indirect outside the context of a Federal grant may not be classified as direct costs when applied to a Federal grant.
 - e. Be determined in accordance with generally accepted accounting principles (“GAAP”).
 - f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed

- program in either the current or a prior period.
 - g. Be properly documented.
 - h. Whenever appropriate, the costs of leasing versus purchasing must be considered.
 - v. Principal Investigators, not the Grants and Contracts Office, are responsible for ensuring that grant expenditures are accounted for in a complete, timely, and accurate manner.
 - vi. Account codes are used to classify and accurately track expenses and expenditures. Use of account codes is also required by Federal law and regulation. Account codes are furnished by the Business Office. Principal Investigators are responsible for the consistent and accurate use of account codes.
 - vii. Allocable costs
 1. A cost is “allocable” to the extent that it provides a benefit to the project for which the grant was awarded. If there is no benefit, the expense is not “allocable.” If an expense is not “allocable,” it is automatically not “allowable” and cannot be paid for from grant funds.
 2. Costs charged to Federal grants shall be the actual cost incurred by Parkland and shall therefore reflect any credits or discounts obtained by the College.
 3. If a cost benefits more than one project, but the proportion of benefit to each cannot be determined because of the interrelationship of those projects, then the cost may be allocated between those projects on any reasonable basis, with proper documentation as to how and why the allocation was made.
 4. If a grant specifically authorizes the purchase of equipment or other capital assets, those costs shall be allocated to that grant, regardless of what use is made of such equipment or asset after its original purpose is completed. “Indirect” costs, such as maintenance and depreciation are discussed in the Section below.
 5. In general, costs allocable to one grant may not be charged to any other Federal grant to overcome fund deficiencies or any other reason.
 6. Whenever Cost Accounting Standards apply, those standards shall take precedence over the allocation principles above. Consult the Grants and Contracts Office for guidance.
 7. When in doubt regarding the reasonableness and allocability of any costs, consult Grants and Contracts Office.
 8. Certain grants may be subject to statutory limits on allowable costs.

In those cases, costs that exceed that limit may not be charged to the grant.

9. Any payments made for costs determined to be unallowable must be returned (with interest) to the granting agency.

viii. Indirect (Modified Total Direct) Costs

1. See the Rate Agreement negotiated by the College and the Department of Health and Human Services on determining indirect costs.
2. Indirect costs may be allocated to a grant only if they provide a benefit to that specific grant program. Individual grants may set forth specific requirements relating to reimbursement of indirect costs, matching, or cost sharing. Please consult the Grants and Contracts Office for additional guidance.

ix. Certifications.

1. Federal law requires periodic reports detailing the use of grant monies. These reports, as well as vouchers requesting payment, must be certified in writing by Principal Investigators. The required certification reads:
 - a. “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 objectives 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 3729-3730 and 3801-3812).”
 - b. **Note that errors, omissions or falsehoods may result in personal liability, including criminal prosecution.**

x. Price

1. Price analysis is a comparison of prices offered by qualified vendors competing in the open market. Price analysis may be as simple as “comparison shopping” prices for standard goods published by a number of vendors or as complicated as written bids submitted in response to a detailed request for proposal.

xi. Purchasing Guidelines

1. Informal Procurement Methods

a. Micro Purchases

- i. Purchases under \$50,000 are typically standardized goods or services available from many sources. Such purchases do not require competitive bidding or detailed documentation. However, pricing should be obtained from more than one supplier and this research should be documented in the file. Whenever practicable, micro purchases should be distributed equitably among qualified suppliers.
- ii. Board of Trustee approval is still required for any purchases \$20,000 and above.
- iii. **Note that the threshold for bidding at Parkland College is \$20,000.00 except for instances as listed in 110 ILCS 805/3-27.1**
 1. For micro-purchases, the College is required to self-certify a threshold of up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with 200.334.

b. Small Purchases

- i. Purchases over \$50,000 but Less Than the “Simplified Acquisition Threshold: (Currently \$250,000)
- ii. Purchases larger than \$50,000, but less than the Simplified Acquisition Threshold, require additional research and documentation. At minimum, written quotations should be obtained from at least two competing sources. All requests for proposals shall identify Parkland College as an Equal Opportunity Employer and require the same certification from suppliers.
- iii. Minimum acceptable documentation consists of requests for proposal issued, responses received and criteria used for final selection. There is no requirement that contracts be

awarded solely on the basis of price (i.e. to the lowest bidder). Other considerations, such as vendor's experience in the field or quality of products or services offered, may justify a higher price. Those reasons must be documented in the transaction file, however.

- iv. **Note that the threshold for bidding at Parkland College is \$20,000.00**

2. Formal Procurement Methods

a. Procurement by Sealed Bids (formal advertising)

- i. Sealed bids are publicly solicited requests for bids or proposals at a fixed contract price.

The contracts are awarded to the bidder whose bid conforms in all material respects to the specified requirements and offers the lowest price.

- ii. Sealed bidding is appropriate in the following circumstances.

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

- iii. If sealed bids are used, the following requirements apply.

1. The invitation for bids shall be publicly advertised;
2. Bids must be solicited from an adequate number of known suppliers, providing them sufficient time to respond;
3. The invitation for bids must fully describe the items or services sought, so that the bidder may properly respond;

4. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
 5. 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; and
 6. Any or all bids may be rejected if there is a sound, documented reason.
- iv. The Principal Investigator shall establish a written method for conducting technical evaluations of the proposals received and for selecting recipients before the bidding opportunity is announced. Technical specifications shall be provided to the granting or pass-through agency upon request.
- b. Proposals
- i. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:
 1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

2. Parkland College must have a written method for conducting technical evaluations of the proposals received and making selections;
3. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to Parkland College, with price and other factors considered; and
4. Parkland College may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort.

c. Noncompetitive Procurement

- i. Noncompetitive procurement may be used only when one or more of the following circumstances apply.
 1. The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;
 2. The item is available only from a single source;
 3. Public exigency or emergency will not permit a delay resulting from competitive solicitation;
 4. The Federal awarding agency or pass-through entity expressly authorizes

- noncompetitive procurement in response to a written request; or
5. After solicitation of a number of sources, competition is determined to be inadequate.

xii. Competition

1. All procurement transactions must be conducted in a manner providing full and open competition. Requirements or practices that impede or obstruct such competition are not permitted and may result in disciplinary action, including termination of employment.
2. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. 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.
3. Parkland College must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a

selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

4. To further ensure free and open competition, all solicitations shall:
 - a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - b. Identify all requirements and all factors to be used in evaluating bids.
5. The college must ensure that all prequalified lists of persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. No potential bidder shall be barred from submitting during the proposal period.

xiii. General Requirements

1. The following requirements are applicable to all procurement transactions, regardless of size. Procurement transactions shall be conducted in a lawful and ethical manner.
2. Unnecessary/duplicative purchases are not permitted (and are not reimbursable expenses).
3. Principal Investigators are responsible to ensure contractor performance in accordance with their contracts or purchase orders.
4. Whenever possible:

- a. Consider leasing versus purchasing;
 - b. Enter into agreements to share common goods or services with other educational institutions, non-profit organizations or governmental entities;
 - c. Use Federal excess or surplus property in lieu of new purchases;
 - d. Consider breaking purchases into smaller consignments, or consolidating purchases, if doing so will produce lower pricing or greater value.
5. Contracts shall be awarded only to providers of known integrity and ability to fulfill the contract requirements.
6. Each project leader must maintain records detailing the history of all procurements. At a minimum, these records will disclose the rationale for the:
 - a. Method of procurement;
 - b. Selection of contract type;
 - c. Contractor selection or rejection; and,
 - d. Basis for the contract price.
7. Time and material contracts may be used only after a determination that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk.
8. Parkland shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include, at minimum:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - b. Assuring that small and minority businesses, and women's 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, and women's business enterprises;
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's 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. Requiring the prime contractor, if subcontracts are to be let, to observe the foregoing requirements.
 9. Records of all procurement transactions, and all relevant supporting documents, shall be available upon request to the federal granting agency or the pass-through agency responsible for the funds provided to Parkland.
 10. Sub recipient Monitoring: In the event that the College awards sub grants to other entities, it is responsible for monitoring those grant sub recipients to ensure compliance with federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a sub grant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected. **The College does not award sub grants as a regular course of action.**
- xiv. Monitoring and reporting program performance
1. Principal Investigators, not the Grants and Contracts Office, are responsible for oversight of activities supported by Federal grant monies. Principal Investigators must monitor activities under Federal awards to ensure compliance and that performance expectations are being achieved.
 2. Principal Investigators are responsible for the timely completion of all required reports. As a general rule, such reports are required at least annually, and no more frequently than quarterly.
 3. Performance reports shall be submitted using federally approved forms and standards. Please consult Grants and Contracts Office for assistance in obtaining these forms or interpreting the applicable standards. Current Federal standards require that reports provide:
 - a. A comparison of actual accomplishments to the objectives of the Federal award.
 - b. The reasons why established goals were not met, if appropriate.
 - c. Additional pertinent information including, when

appropriate, analysis and explanation of cost overruns or high unit costs.

xv. Significant developments

1. Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, Parkland must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:
 - a. Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action(s) taken, or contemplated, and any assistance needed to resolve the situation.
 - b. Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

xvi. Record Retention and Access

1. Retention

- a. Financial records, supporting documents, statistical records, and all other records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report. For Federal awards that are renewed quarterly or annually, however, records must be maintained from the date of the submission of the quarterly or annual financial report, respectively. The only exceptions are the following:
 - i. If any litigation, claim, or audit is begun before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
 - ii. The three-year retention period may be extended by notice from the Federal granting agency or any other agency having oversight authority.
 - iii. Records for real property and equipment acquired with Federal funds must be retained

for three years after final disposition of that property or equipment.

- iv. The three year retention requirement does not apply when records are transferred to or maintained by the Federal awarding agency or pass-through entity.
- v. When the grant requires Parkland College to report program income after the period of performance, the retention period starts from the end of Parkland College's fiscal year in which the program income is earned.
- vi. The following apply to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable:
 - 1. If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.
 - 2. If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

2. Access to records

- a. Records relating to programs funded with Federal monies shall be available to the Federal awarding agency, or any other Federal oversight agency, upon request. This provision includes timely and

reasonable access to Parkland's personnel for inquiry related to such records.

3. Project Closeout

- a. The following timetable applies to all projects funded by Federal grants unless:
 - i. The grant itself sets forth another schedule;
 - or,
 - ii. The granting agency agrees to extension(s) of this timetable.
- b. The project leader shall submit, no later than 120 calendar days after the project end date, all financial, performance, and other reports required by the terms of the grant.
- c. All obligations under the grant shall be liquidated within 120 days of the project end date.
- d. Any funds advanced by the granting agency, but not spent in performance of the grant project, shall be refunded to the granting agency.
- e. The Principal Investigator shall account for the disposition of any real or personal property acquired with Federal funds or received from the Federal government as part of the grant project.
- f. The closeout of a Federal award does not affect the right of the awarding agency to disallow costs and recover funds through audit or other review.

4. Consequences of Noncompliance

- a. Noncompliance can result in a variety of adverse consequences for Parkland, including:
 - i. Temporary withholding of payments pending correction of the deficiency.
 - ii. Disallowance of all or part of the cost of the activity or action not in compliance.
 - iii. Complete or partial suspension of the Federal grant.
 - iv. Suspension or debarment of Parkland from participation in federally funded programs.
 - v. Withholding of further Federal funding.
 - vi. Other legally available remedies.
- b. **Noncompliance with this policy can have a variety of adverse consequences for Parkland, including**

loss of access to federal funding (including student loan funding). Therefore, failure to comply with these policies and procedures may result in disciplinary action, including termination of employment.

- c. In addition, violation of Federal requirements may expose an individual to civil and criminal prosecution.**

xvii. Drawdown/Reimbursement Policy

1. The College follows the grant agreement guidelines for drawdown/reimbursement. The Senior Accountant will prepare and submit the request for drawdown based on grant reporting requirements and will provide general ledger reports, supporting documentation, and account number. This is reviewed and approved by the Controller/CFO.

IX. ACCOUNTS RECEIVABLE/CASHIER

a. Cashiering

i. Income/Funds Received

1. All funds received by College income-producing activities may be turned into the Cashier. A receipt, if requested, will be issued and the appropriate budget line item will be credited.

ii. Check Cashing

1. Checks for \$10.00 may be cashed by faculty, staff, and students at the Cashier's Office (U250). There is a \$.25 charge for this service. A valid Parkland College photo ID is required, and there must be no prior balance owed to the College.

iii. Vending Machine Refunds

1. Vending machine refunds are no longer given by the Cashier. Persons experiencing problems with vending machines should contact the food service company directly and report any problems to them.

b. Special Contracts/Accounts Receivable

i. Collection of Accounts

1. The Business Office handles accounts receivable for the entire college. Accounts Receivable includes any monies owed to Parkland College on behalf of students. These accounts usually deal with tuition and fee revenue that needs to be collected. The collection of these past due accounts is handled by the Accounts Receivable Accountant. Accounts deemed uncollectable at a certain point in time are turned over to a collection agency, at which time Parkland and the agency place them on collection status. This status stops them from registering for future terms until the debt is paid in full. Any deviations from this procedure, such as payment plans for previous debts, has to be approved through the Chief Financial Officer or the Controller.

ii. Third Party Billings

1. Some special contracts are paid by external organizations. In order for the Business Office to bill external agencies, the student or agency needs to request a [Third Party Sponsor Form](#). Once this form is filled out, it needs to be returned to the Cashier's Office, U250, at which time the student account is linked with an agency. The student may be given a book voucher depending on the preference of the agency. Once the student registers, the charges are placed on the agency account. After the last drop-date of the semester, an itemized bill is sent to the participating agency. Upon

receipt of the bill, the agency pays Parkland and the revenue is received through a cash receipt.

iii. Waivers

1. Another form of special contract is the Tuition Waiver. When an employee, spouse, or child of an employee registers for a class, the tuition is automatically billed to the student's account. In order for the student account to be relieved from this debt, the employee needs to obtain a [Tuition Waiver](#) from the Human Resources Office or from [My.Parkland.edu](#). This form needs to be filled out and emailed to Human Resources. If approved, Human Resources will email the form to the Cashier's Office, at businessoffice@parkland.edu. The appropriate waiver is then applied to the student's account. After the waiver has been applied, the student account will be relieved from the tuition due. **The tuition waiver is to be used for Parkland College classes and workshops only!**

X. RISK MANAGEMENT

- a. Personal Injuries and Accidents on Campus
 - i. Notify the Public Safety Department
 - 1. At the time of an accident, Public Safety should be notified at 217-351-2369. An officer will need to fill out the appropriate paperwork concerning the accident and all individuals involved. Upon completion, copies of the reports are forwarded to Associate Vice President/Dean of Students, Director of Human Resources, Chief Financial Officer, and the President.
- b. Auto Accidents off Campus
 - i. You must always file a Police Report. The person responsible for the group is charged with handling all vehicle and life-threatening accidents. If applicable, they must call an Ambulance, Fire Department, and Student Emergency Contacts. They are responsible for immediately reporting all accidents to Public Safety. Failure to report an accident may render you liable for any and all damages. If a police report cannot be filed on the scene, a police report must be filed within four hours after the accident. Upon returning to campus, they are responsible for contacting the Chief Financial Officer, U307, Ext. 2513.
- c. Stolen Property
 - i. When you discover property has been stolen, please notify the Public Safety Department at 217-351-2369. Upon notification, an officer will fill out a detailed report concerning the disappearance of the property. To replace the stolen property, the department will need to submit an online requisition on a paper requisition form. The requisition will be submitted to the Chief Financial Officer. He will provide the appropriate account number and forward the request to the Purchasing Agent.
- d. Insurance
 - i. Notify the Chief Financial Officer
 - 1. All accidents or incidents concerning the above should be reported via Public Safety to the Chief Financial Officer (CFO), Room U307. Any individuals involved in an accident on or off campus should be instructed to contact the CFO. Upon contact, the CFO will arrange to talk with the individuals and all insurance companies involved in the reported incident.
- e. Titles
 - i. All Titles of donated vehicles to the College must be brought to the Accountant so that the title can be transferred into Parkland College's name. All titles are stored in the safe in the Cashier's Office.

XI. APPENDIX I

To: Parkland College Board of Trustees
Dr. Thomas Ramage, President
From: Christopher Randles, Vice President Administrative Services/CFO
Date: June 30, 2021
Re: Self-Certification of Micro-Purchase Threshold FY21

It is the policy (Policy 6.01) of Parkland College whereby the bid limits, purchasing, and contractual agreements shall be consistent with and in conformance to the Illinois Public Community College Act, Chapter 110, par. 805/3-27.1 and 27.2 as amended. Parkland's procedure is any purchase in excess of \$20,000 shall require the approval of the Board of Trustees prior to purchase. The College's Policy & Procedure allows for exemptions from formal bid requirements per the Illinois Public Community College Purchasing Act section 805/3-27.1. Board approval is still required and obtained for exempt purchases over \$20,000.

Based on Parkland's ability to document (a)(1)(iv)(A) through (C) below, Parkland College District #505 self certifies that for the Fiscal Year ending June 30, 2021, its micro-purchase threshold is \$49,999.99.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) Informal procurement methods. When the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold (SAT), as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(1) Micro-purchases -

(i) Distribution. The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of micro-purchase in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

(ii) Micro-purchase awards. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.

(iii) Micro-purchase thresholds. The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

(iv) Non-Federal entity increase to the micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

(A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;

(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,

(C) For public institutions, a higher threshold consistent with State law.

(c) Noncompetitive procurement. There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);

(2) The item is available only from a single source;

(3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;

(4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or

(5) After solicitation of a number of sources, competition is determined inadequate.

XII. APPENDIX II

To: Parkland College Board of Trustees
Dr. Thomas Ramage, President
From: Christopher Randles, Vice President Administrative Services/CFO
Date: July 1, 2021
Re: Self-Certification of Micro-Purchase Threshold FY22

It is the policy (Policy 6.01) of Parkland College whereby the bid limits, purchasing, and contractual agreements shall be consistent with and in conformance to the Illinois Public Community College Act, Chapter 110, par. 805/3-27.1 and 27.2 as amended. Parkland's procedure is any purchase in excess of \$20,000 shall require the approval of the Board of Trustees prior to purchase. The College's Policy & Procedure allows for exemptions from formal bid requirements per the Illinois Public Community College Purchasing Act section 805/3-27.1. Board approval is still required and obtained for exempt purchases over \$20,000.

Based on Parkland's ability to document (a)(1)(iv)(A) through (C) below, Parkland College District #505 self certifies that for the Fiscal Year July 1, 2021, through June 30, 2022, its micro-purchase threshold is \$49,999.99.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) Informal procurement methods. When the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold (SAT), as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(1) Micro-purchases -

(i) Distribution. The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of micro-purchase in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

(ii) Micro-purchase awards. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.

(iii) Micro-purchase thresholds. The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

(iv) Non-Federal entity increase to the micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

(A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;

(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,

(C) For public institutions, a higher threshold consistent with State law.

(c) Noncompetitive procurement. There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);

(2) The item is available only from a single source;

(3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;

(4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or

(5) After solicitation of a number of sources, competition is determined inadequate.