



Bidding & ESEA Hot Topics –

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Agenda

- Bidding w/ 2 CFR 200 & Policy 8200
 - Food Guidance
 - 2 CFR 200 Overview
 - Find the Finding
 - FY25 ESEA & ESSER Monitoring
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Bidding with 2 CFR 200 & Policy 8200



Policy 8200 Exemptions

- Exemptions from bidding for certain items exist in Policy 8200.
 - These exemption **DO NOT** exist within 2 CFR 200.
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Policy 8200 – Changes



- Should be in effect as of FY25
 - Only major change regarding bidding is the minimum bidding threshold.
 - From \$5,000 to \$10,000 to match CFR 200
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Special Consideration



FEDERALLY
APPROVED CO-OPS



STATE CONTRACTS

Special Considerations - Sole Source

Per the Logan County Special Circumstance Review and Communication with the Office of School Finance.



A letter from a vendor claiming that they are a sole-source provider is not sufficient documentation of a sole-source purchase.



Independent research must take place to make this determination and appropriate supporting documentation maintained to support the determination. WVBE Policy 8200, Section 4.1



Google searches, location-based items (billboards, Health Personnel contracted to a specific location, and Charter Buses)



Informal procurement methods:

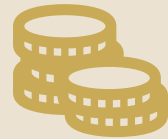
2 CFR 200.320

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.

Let's Talk Thresholds



(2 CFR 200) *Simplified acquisition threshold* means \$250,000, except for—



(2 CFR 200) *Micro-purchase threshold* means \$10,000, except it means— (1) For acquisitions of construction subject to [40 U.S.C. chapter 31](#), subchapter IV, Wage Rate Requirements (Construction), \$2,000; (2) For acquisitions of services subject to [41 U.S.C. chapter 67](#), Service Contract Labor Standards, \$2,500



(State Purchasing Policy 8200) - 7.11.2. Purchases costing \$5,000 or more but less than \$10,000:

Bid Requirements – Per Policy 8200



Competitive Bid Limits	Competitive Bidding not required	Competitive Bidding Required	3 Verbal Bids Required *(1)	3 Written Bids Required *(2)	Solicitation of Bids Required *(3)	Sealed Bids	All Bids May be Rejected with Sound Documented Reason	Requests for Bids must be retained for Public Review and Inspection	Approved PO is Required Before Ordered
Under \$5,000	X								X
\$5,000 - \$10,000		X	X						X
\$10,000-\$25,000		X		X				X	X
\$25,000-\$50,000		X			X		X	X	X
\$50,000 or More		X			X	X	X	X	X

*(1) - Documentation of verbal bids must be retained

*(2) - A "No Bid" is not considered a received bid.

*(3) - \$25k - \$50k; Solicitation to at least three known suppliers / \$50k or more; solicitation of bids via public advertising.



Threshold Level Determination

Policy 8200 7.3 - The threshold level to be used is determined by the total estimated cost of the item being purchased, which is the unit cost multiplied by the quantity.

Example – an LEA is buying 300 items that are \$2,500 each, the LEA got price checks from 3 different vendors at a per item amount then added them up to get the total, and then submitted that as their bid documentation.

What was wrong and why?



Threshold Level Determination

Example – The LEA should not have price check items at the individual rate. They should have multiplied the total number of items by the estimated amount per unit. This would have given the LEA a total estimated cost of \$750,000.

This changes the bidding procedures required for this purchase.

Food Guidance

The background of the slide features a large, faint watermark of the West Virginia State Seal. The seal is circular and contains the text 'STATE OF WEST VIRGINIA' at the top and 'MONTANI SEMPER LIBERI.' at the bottom. In the center of the seal, there is a depiction of a farmer on the left and a miner on the right, with the date 'JUNE 20 1863' in the middle.



Can We Order Pizza?

- Food is not written into ESEA as an allowable cost. ESEA does not say, for example, “Serve cupcakes at the Title I annual meeting. Whenever practicable, decorate baked goods with frosting and sprinkles.”
-



ED Guidance to Food



An agency may provide “light refreshments” as a way to encourage parents of Title I, Part A students to participate in school activities.



The analysis defaults back to the basic considerations and a determination that any food costs are necessary, reasonable, and allocable.



Considerations Before Spending Title I Funds on Food

Does it comply with
LEA policy?

Is it allocable? Does it
serve the academic
purpose of Title I?

Is it reasonable? Don't
get extravagant

Is it necessary? Does
the event take place
during the dinner hour
when it is a good idea
to feed families?

Did you get parents'
opinion? Families
should be consulted
on family engagement
spending

Can it be justified
through policies like
the strategic plan, or
family engagement
policy?

Can it be
documented? Save
receipts, invoices,
meeting agenda, and
sign in list

What to Save

Agendas, sign-in sheets, and minutes from Title I meetings, including parent feedback and questions, and any promises for follow-up.



Parent and Family Engagement – Per Person Cost

However, if an LEA feels there is a significant and compelling need to use federal funds for a meal, as opposed to light refreshments, in order to facilitate parent attendance;

- the event must be longer than two (2) hours,
 - and be scheduled over a normal mealtime,
 - the per person cost of the event food should not exceed **\$8.00.**
 - And the LEA **will be expected** to justify why alternative options were not used.
-



Parent and Family Engagement – Pre-Approval Form (coming soon)

- The LEA will need to complete the pre-approval form and submit to the Office of Federal Programs for food purchases over the \$8.00 per person threshold with Parent and Family Engagement activities.
-



Parent and Family Engagement – Pre-Approval Form (coming soon)

The LEA should attempt to have all, or a portion of the food paid through alternative sources such as sponsorship or donation from:

- » Local business
 - » Parent/Teacher organization
 - » Location restaurants, supermarket, etc.
 - » Local sports teams
 - » Food trucks
-



Attendance/Participation Incentives

Awards for Recognition and Incentives for Participation should be - minimal-cost items such as: certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition. These items should be tied to instructional strategies and activities.

The following items may be donated by others but may not be purchased with grant funds:

- Gifts or items that appear to be gifts
 - Souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, imprinted pens, and key chains
 - “Door prizes”, movie tickets, gift certificates, passes to amusement parks, etc.
 - Food of any kind (snacks, beverages, refreshments, meals, etc.)
-



Attendance/Participation Incentives – From ESSER FAQ's

May ESSER and GEER funds be used to provide incentive payments directly to parents and students to encourage students to attend school?

No. Using ESSER or GEER funds to pay students or families for undertaking a mandatory activity, such as attending school, or to pay family members to ensure the students attend school, is not an allowable use of ESSER or GEER funds.

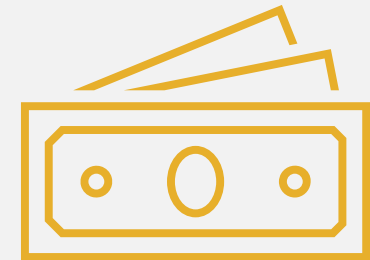
2 CFR 200 Overview





Reasonable Costs – Definition

- Per (2 CFR § 200.404) A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.





Reasonable Costs – Considerations

- The cost is of a type generally recognized as ***reasonable and necessary*** for the **operation** of the non-Federal entity, or the ***proper and efficient*** performance of the Federal award.
 - **Market prices for *comparable* goods or services** for the geographic area.
 - Whether the non-Federal entity **significantly deviates from its *established practices and policies*** regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.
-



Collection of Unallowable Costs



- All costs deemed to be unallowable must be refunded (including interest) to the federal government.
 - Unless Federal Statute or regulation directs otherwise, instructions for this refund procedure will be given by the agency who deem the funds unallowable.
-



Entertainment Costs



Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable.

An exception is where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency.

Related Findings



ESEA 5.1 or ESSER 2.1 An LEA has a parent and family event with a circus theme that included slip-n-slides, bounce houses, dunk tanks, etc.



ESEA 5.1 or ESSER 2.1 An LEA takes students on field trips that have no educational component (Amusement Parks, Movies, or Arcades.)



ESEA 5.1 or ESSER 2.1 - An LEA has an incentive event where they bring in mobile gaming trucks, or bounce houses.



*Educational field trips are allowable



Related Findings



ESEA 5.1 or ESSER 2.1 - An LEA has reward events that include entertainment items.



ESEA 5.1 or ESSER 2.1 - An LEA has events or gives out awards incentivizing attendance.



ESEA 5.1 or ESSER 2.1 - An LEA gives food as an incentive for something.



Equipment & Other Capital Expenses; Rules of Allowability



Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.



Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.



Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity.



Equipment and other capital expenditures are unallowable as indirect costs.

Related Findings

ESSER 2.1 - An LEA has a construction project where one or more components were not bid out correctly.

ESSER 2.8 - An LEA has a construction project, that have been started and partially/fully paid for, that had no prior written approval from the SEA.

ESSER 2.8 - An LEA has a construction project that is missing Davis Bacon (Prevailing Wage) Documentation.

Reporting on Real Property



West Virginia DEPARTMENT OF
EDUCATION

The Federal awarding agency or pass-through entity must require a non-Federal entity to submit reports at least annually on the status of real property in which the Federal Government retains an interest, unless the Federal interest in the real property extends 15 years or longer. In those instances where the Federal interest attached is for a period of 15 years or more, the Federal awarding agency or pass-through entity, at its option, may require the non-Federal entity to report at various multi-year frequencies (e.g., every two years or every three years, not to exceed a five-year reporting period; or a Federal awarding agency or pass-through entity may require annual reporting for the first three years of a Federal award and thereafter require reporting every five years).

2 CFR 200.330



Real property new guidance

- All grantees and subgrantees that have a renovation, major remodeling, construction, or real property project of \$1 million or more in funds from these programs must record all NFIs (notice of Federal interest) by January 28, 2025.

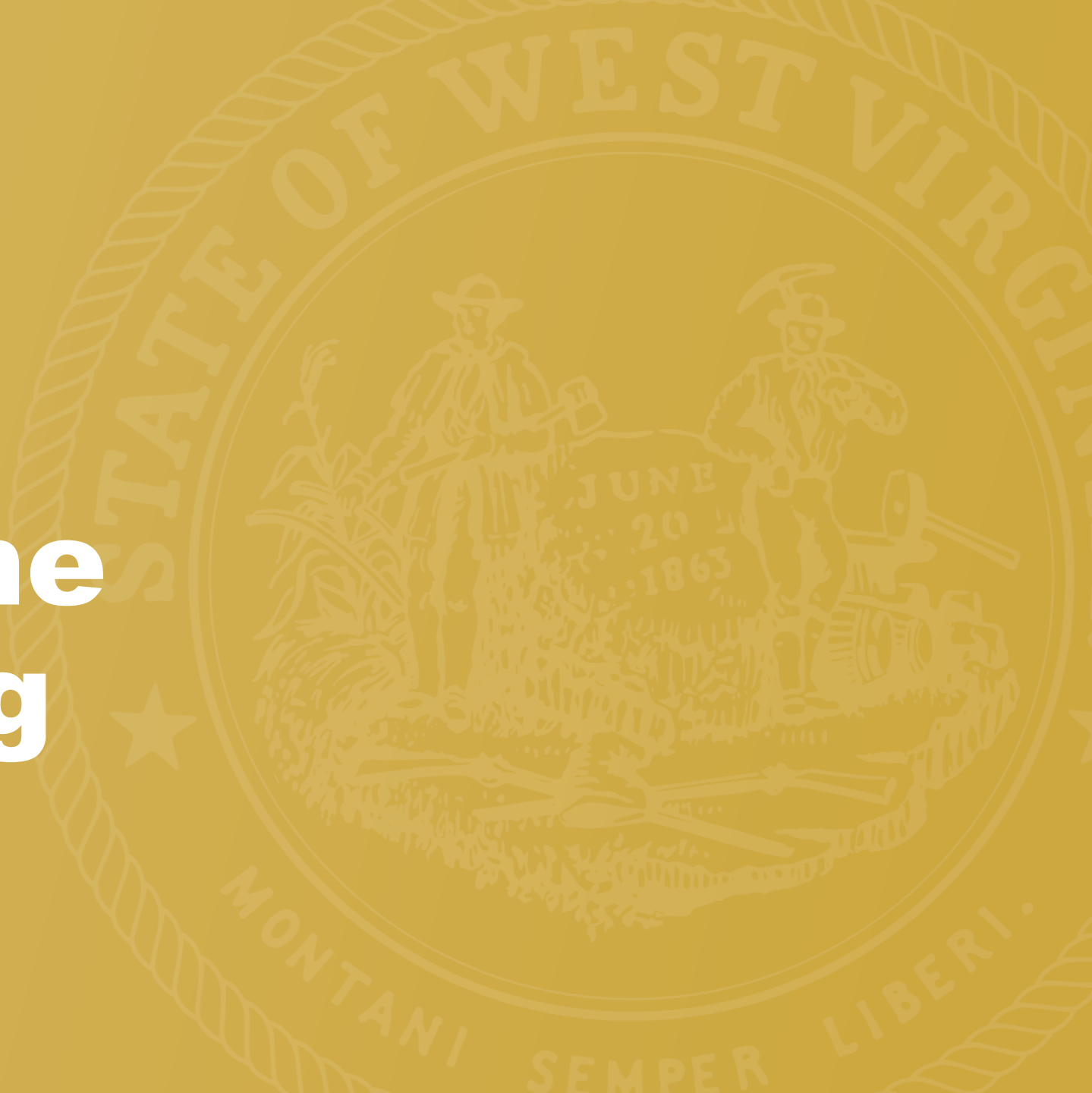




New Guidance for Supplies

- Under the Uniform Guidance, 2 CFR 200.314(a), “title to supplies will vest in the non-Federal entity upon acquisition. If there is a residual inventory of **unused supplies** exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, **compensate the Federal Government for its share.**”
 - Although not yet in effect, changes to the Uniform Guidance clarify the meaning of **“unused supplies”**; as such, the Department interprets the term to mean **“supplies that are in new condition, not having been used or opened before.”** Given that the laptops at issue have been opened and used, the disposition requirements for supplies therefore would not apply and the LEA may dispose of the supplies consistent with State and local policies and procedures without further responsibility to the Department.
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Find the Finding

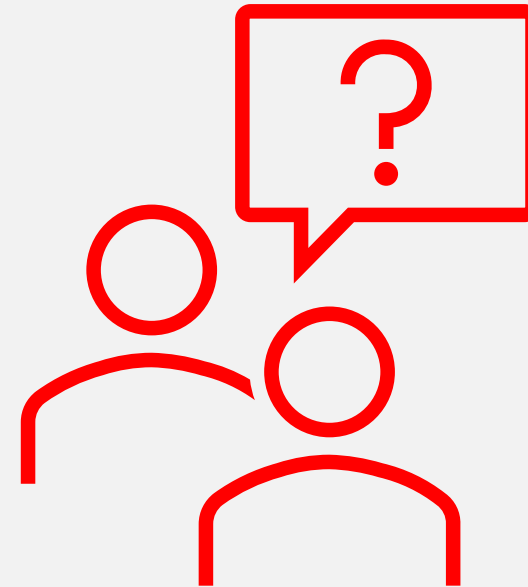




Finding #1

LEA provided evidence for a Parent & Family event that included expenses for a bouncy house, slip n slide, and a dunk tank.

What is the issue, and subsequent finding?



| Answer #1



Per 2 CFR 200 entertainment events and items are unallowable with federal funding.

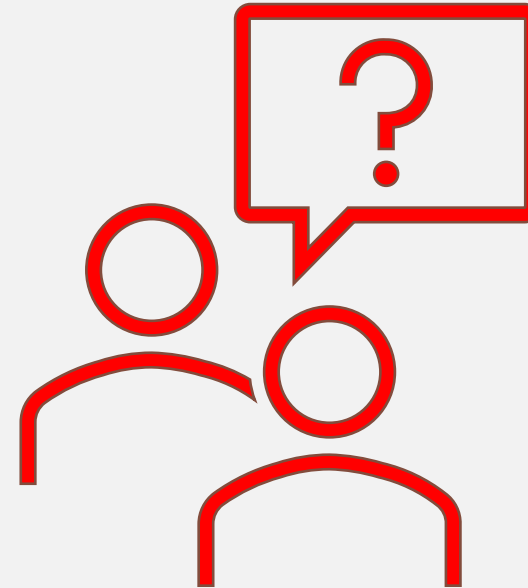
Finding – Unallowable purchase, requiring a payback.



Finding #2

The LEA provided evidence of purchased items including ribbons, small trophies, pencils, etc. and provided documentation showing the items were used to incentivize attendance.

What is the issue, and subsequent finding?





| Answer #2



Federal funding cannot be used to incentivize mandatory actions such as attendance.

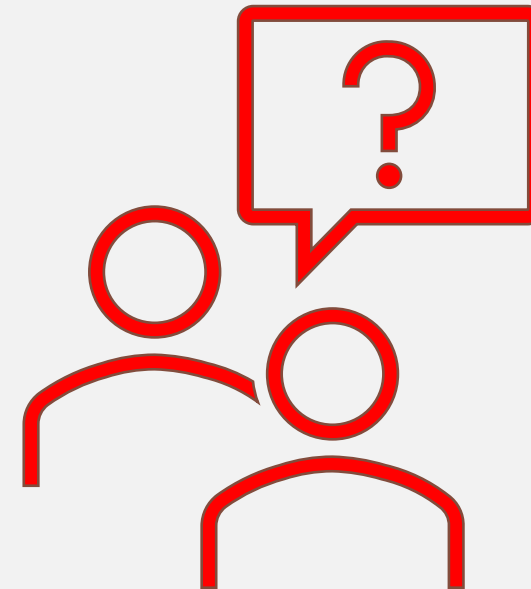
Finding – Unallowable purchase, requiring a payback.



Finding #3

The LEA provided evidence for expenditures on a construction project, during the monitoring process, it was discovered that the LEA did not have a construction application for this project.

What is the issue, and subsequent finding?





Answer #3



The project was missing prior written approval, and expenditures for the project have already occurred.

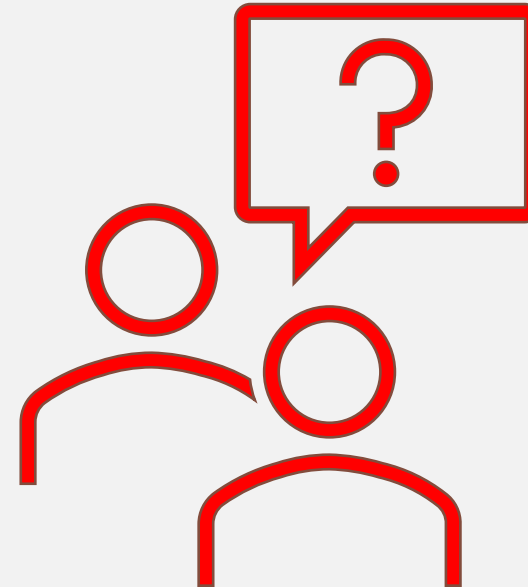
Finding – The entire project unallowable, all previous expenditures will need to be paid back, and all future expenditures will need to be paid for out of funding other than federal.



Finding #4

An LEA bought 150 items that are \$5,000 a piece, the LEA provided evidence for bidding that included price checks from 3 vendors at a per item cost. Handwritten in, the LEA took those costs and multiplied them by number of items needed, providing us with a total and choose the lowest total.

What is the issue, and subsequent finding?





Answer #4



The LEA didn't use the total cost when determining threshold level for bidding, if they had they would have started with an estimated total cost of \$750,000 and would have needed to bid the items out using the procedures for purchases over \$50,000.

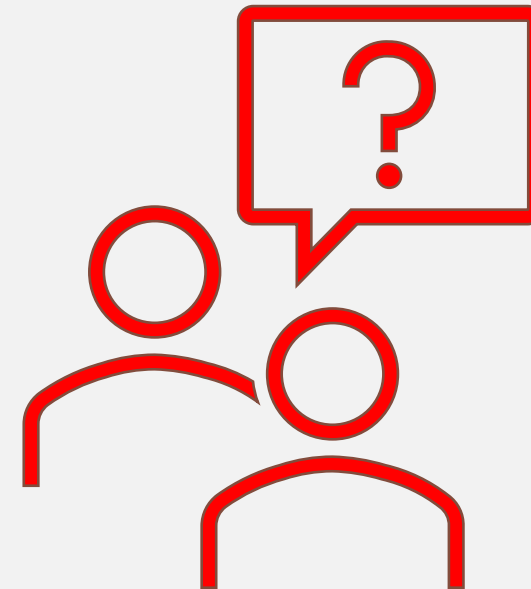
Finding – Improper procurement of items.



Finding #5

An LEA provided documentation of a purchase of supplemental books/publications from a vendor and provided a narrative that these were excluded from bidding per Policy 8200.

What is the issue, and subsequent finding?





Answer #5



2 CFR 200 does not have exemptions from bidding like Policy 8200. Since this was purchases with federal funds bidding should have still taken place.

Finding – Improper procurement of items.

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FY25 ESEA & ESSER Monitoring Schedule



September 2024

- September 16th – Marshall (ESEA / ESSER) On-Site
 - September 17th – Pleasants (ESEA / ESSER) On-Site
 - September 18th – Wirt (ESEA / ESSER) On-Site
 - September 19th – Wood (ESEA / ESSER) On-Site
-



October 2024

- October 7th – West Virginia Academy (ESEA) On-Site
 - October 8th – Preston (ESEA / ESSER) On-Site
 - October 9th – Mineral (ESEA / ESSER) On-Site
 - October 10th – Barbour (ESEA / ESSER) On-Site
 - October 11th – Upshur (ESEA / ESSER) On-Site
-



November 2024

- November 19th – Calhoun (ESEA / ESSER) On-Site
 - November 21st – Logan (ESEA / ESSER) On-Site
 - November 22nd – West Virginia Virtual Academy (ESEA) On-Site
-



December 2024

- December 9th – Eastern Panhandle Preparatory Academy (ESEA)
 - December 9th – Virtual Preparatory Academy (ESEA)
 - December 10th – Grant (ESEA / ESSER)
 - December 11th – Nicholas (ESEA / ESSER)
 - December 12th – Pendleton (ESEA / ESSER)
-



January 2025

- January 13th – Webster (ESEA / ESSER)
 - January 14th – Taylor (ESEA / ESSER)
 - January 15th – Raleigh (ESEA / ESSER)
 - January 16th – Ritchie (ESEA / ESSER)
-



ESSER Only Monitoring Schedule



February 2025 (ESSER Only)

- Mingo
 - Wayne
 - Cabell
 - Tucker
 - Hampshire
 - Jackson
-



March 2025 (ESSER Only)

- Lincoln
 - Hardy
 - Pocahontas
 - Brooke
 - Greenbrier
 - Berkeley
 - Gilmer
 - Marion
 - Monroe
 - Randolph
-



April 2025 (ESSER Only)

- Summers
 - Wetzel
 - Mercer
 - Roane
 - Boone
 - Braxton
 - Hancock
-



May 2025 (ESSER Only)

- McDowell
 - Putnam
 - Tyler
 - Clay
 - Fayette
 - Harrison
 - Lewis
 - Mason
 - Ohio
 - Doddridge
-



June 2025 (ESSER Only)

- Monongalia
 - Kanawha
 - Jefferson
 - Morgan
 - Wyoming
-

Questions??

Contact Information -

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