

Los Angeles Leadership Academy

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GENERAL ACCOUNTING POLICIES AND PROCEDURES MANUAL

ACCOUNTING POLICIES

OVERVIEW

GENERAL

The Governing Board of Los Angeles Leadership Academy has reviewed and adopted the following Fiscal Policies to support the mission of the school and ensure the most effective use of resources. These processes are designed to ensure that resources are budgeted, properly accounted for, and safeguarded. The Policies are also designed to ensure that expenses are properly authorized and in accordance with the school’s budget and mission. These Policies serve as the internal controls over the fiscal activities of the school.

All processes are designed with key accounting rules in mind. Financial duties and responsibilities are separated so that no one employee has sole control over cash receipts, disbursements, payroll processing, reconciliation of bank accounts, or safeguarding of assets.

LEGAL STRUCTURE

Los Angeles Leadership Academy (“LALA”) is a California Corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As of 7/1/10, LALA operates two charter schools in two locations in Los Angeles, California, sponsored by LAUSD. Los Angeles Leadership Academy has offices at each site and operates one middle school and one high school under Los Angeles Leadership Academy (charter #461) and one elementary school under Los Angeles Leadership Primary Academy (charter #1333)

Charter Name	Charter Number	Location (09-10)	Start Date of Charter (new or renewal)	Expiration Date of Charter
Los Angeles Leadership Academy (LALA)	461	Los Angeles	7/1/2017	6/30/2024
Los Angeles Leadership Primary Academy (LAPA)	1333	Los Angeles	7/1/2021	6/30/2026

Commented [MP1]: 2 years extension

Commented [MP2]: Charter renewal dates

METHOD OF ACCOUNTING

The books and records of Los Angeles Leadership Academy are prepared using the accrual method of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred.

ACCOUNTING SYSTEM

LALA follows the Standardized Account Code Structure (SACS) and utilizes Resources to track restricted activities. All daily accounting transactions are processed in house. Director of Finance manages all financial daily operations to ensure accurate and timely processing of accounting transactions, budgets, cash flow projections, and financial reporting and compliance. Effective 7/1/14, LALA uses NetSuite for maintaining its general ledger activities and has contracted with EdTec, as a third-party service provider, to ensure accurate and timely financial reporting and fiscal compliance and provides integral support with month-end reporting, cash flow, budgeting and compliance reporting.

CASH ACCOUNTS

LALA obtains board approval before opening or closing any bank or investment accounts. LALA currently maintains the following bank accounts:

- | | |
|---|------------------------------------|
| <input type="checkbox"/> Main Checking Account -9121-1599 | - PacWest Bank |
| <input type="checkbox"/> Fundraising Accounts -9125-5715 | - CHASE School Fundraising Account |
| <input type="checkbox"/> Checking Account -9125-9828 | - CHASE Operating Account |
| - 9125-7561 | - CHASE Saving Account |

Commented [MP3]: Money Market account closed

All bank accounts are reconciled on a monthly basis by Director of Finance. All accounting records are kept in a secured location.

ANNUAL FINANCIAL AUDIT

The Governing Board will annually appoint an audit committee by February 1st to select an auditor by March 1st for that year's audit (year-ending June 30). Any persons with expenditure authorization or recording responsibilities within the school may not serve on the committee.

The annual audit shall include the following:

- Audit of the accuracy of the financial statements
- Audit of attendance accounting and revenue accuracy practices
- Audit of internal control processes

The annual audit report will be presented to the Governing Board by December 1st of each year and distributed to required third parties no later than December 15th following year-end.

AUTHORIZED CHECK SIGNERS

The following parties are authorized to sign checks for the main checking accounts, maintenance account and fundraising account:

Chief Executive Officer/Superintendent

Chief Operations Officer

There is dual signature requirement for the checks more \$10,000. Authorization limits and approvals must be followed. Authorization limits apply to specific individuals for purchases.

Reimbursements to any members with check signing ability must be approved by an authorized individual other than the person being reimbursed.

Signers allow to use rubber signature stamp.

CASH RECEIPTS AND DEPOSITS

The School receives checks and cash throughout the year. The main source of cash receipts is State and Federal revenue and fundraising income. The following processes are followed to insure effective, timely and accurate reporting of cash receipts in general ledger, safeguarding of assets and ensuring adequate separation of duties.

Mail delivered to the Central Office is opened by designated staff member and delivered to the Office manager. Office manager prepare a Cash Receipts Form, including details of the source of funds and proper coding per chart of accounts.

All checks to be deposited are placed in a secured Location until deposited via remote or delivery to the bank by the designated person.

All deposit information is reviewed by Director of Finance to ensure timely entry in the accounting system. Records of deposits are filed at the school. Each record of deposit should include the following items: cash receipts form signed by preparer, remote deposit verification or receipt of deposit from the bank, supporting documentation for the deposit, copies of checks deposited.

For any checks received that do not clearly indicate their source or nature by the supporting documentation, the Chief Executive Officer/Superintendent or Principal will include sufficient coding or explanation to ensure proper coding in the accounting system.

The school will collect cash from time to time. Cash received is segregated as to type (fundraising, etc.) and tallied. Total amounts by type are verified by a second person and a deposit form is prepared. If the cash cannot be deposited the same day, it is stored in a locked cabinet.

Deposits should never be held at the school site more than week. All money a waiting for deposit must be stored in a locked and secure location with limited access for only authorized employee.

PURCHASES AND CASH DISBURSEMENTS

The Office Manager, Principals, Assistant Principals, Chief Operations Officer, Chief Executive Officer/Superintendent and Board President are authorized to make purchases on behalf of LALA.

At least one of the following must accompany all cash disbursement transactions and proper authorization must be clearly indicated:

- *Purchase Order, with proper authorization*
- *Check Request or stamp for approval for the invoices/Employee Reimbursement Request with proper authorization and supporting documentations attached*
- *Travel Reimbursement Form with proper authorization and supporting documentations attached*

The Principal is authorized to make purchases up to \$1,999.99 for office supplies and general operating expenses of the school. The Chief Operations Officer is authorized to make purchases up to \$9,999.99 for general operating. Purchases of \$10,000 to \$25,000 require approval by the Chief Executive Officer/Superintendent.

All contracts more than \$95,000.00 required RFP Process. Please see RFP policy Appendix 1.

Purchases more than \$25,000.00 require board approval.

For recurring transactions with prior approval, payment may be made without direct approval from the Chief Executive Officer/Superintendent or Board.

Commented [MP4]: According to Federal Procurement policy should be \$95,000 instead of \$100,000

Director of Finance is in charge of purchases and monitoring spending for each resource during the year.

PURCHASES AND CASH DISBURSEMENTS

Purchasing Process:

- The Office Manager receives a request by an employee to make a purchase or a signed Purchase Order with proper authorization
- If an employee is requesting a purchase, the Office Manager prepares a purchase order and submits it to the site administrator for approval.
- The Director of Finance reviews the purchase order for proper coding and to confirm that the expense is within budget and aligned with the school's needs and mission.
- The Office Manager makes purchases only after receiving approved purchase orders
- Purchase orders are notated when order has been placed and are stored in a Pending Purchase Orders file until the order has been fulfilled.
- When goods are received, the packing slip is reviewed and compared to the actual delivery and to the purchase order for accuracy.

Accounts Payable checks are processed weekly by the accounting department at Los Angeles Leadership Academy.

BILL PAY PROCESS:

- Designated staff member opens mail and delivers all invoices bills and statements to the office manager.
- Accounting Department receives invoices for payment.
- Each invoice is stamped "Received" with date and is reviewed for accuracy, proper authorization, and completeness. Invoices must be accompanied by a Check Request/Employee Reimbursement Request, Purchase Order and Packing Slip if applicable. If the invoice was for a purchase of merchandise where a purchase order was prepared by designated person, the Office Manager or Office Technician matches the purchase order to the invoice and verifies amount and items included.
- Every purchase must be accompanied by valid, written supporting documentation with proper signatures (invoice, contract, receipt, etc.) Such documentation must include an itemized receipt and, if applicable fully executed contract defining the term and services to be provided, a copy of which shall remain on file at the school
- Accounting specialist enters invoices to the ESP system. Once all bills have been entered, a report of AP Transactions is printed from ESP and submitted to Director of Finance for review, along with the bills and AP Batch Header.
- Director of Finance notates any changes and returns the reviewed AP package to the Accounting Specialist for revision.
- Accounts Payable aging report and available cash balances are reviewed and invoices are selected for payment.
- Director of Finance approves selected invoices for the payment
- Checks are printed and matched to invoices
- Chief Operations Officer reviews check approval report with back up and signs checks
- Chief Executive Officer/Superintendent reviews check register
- Accounting department maintains the checks for the all bank accounts, filed by bank account and by vendors.

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SIGNATURE STAMP POLICY

A rubber signature stamp representing the signature of the Chief Executive Officer/Superintendent is permitted, subject to the following restrictions:

- *The rubber signature stamp will be stored in a secure place at all times when not in use and may only be accessed by the Chief Executive Officer/Superintendent or the Director of Finance.*
- *The Chief Executive Officer/Superintendent must approve in advance any application of the rubber signature stamp.*

PETTY CASH

The school does not currently maintain a petty cash account. Cash transactions are collected and deposited as necessary (see CASH RECEIPTS section above).

CREDIT CARD TRANSACTIONS

LALA holds several credit cards from California Credit Union Bank to be used for regular operating expenses. The following parties are authorized to make purchases using the credit card:

Chief Operations Officer

Chief Executive Officer/Superintendent

Credit card transactions are logged, reviewed and reconciled to the statements each month. Supporting documentation and receipts accompany the credit card statements on a monthly basis.

The credit card activities are reviewed by the Director of Finance, Chief Operations Officer and Chief Executive Officer/Superintendent as a part of the Accounts Payable check review process to insure all transactions are valid and there are no fraudulent, inappropriate or unauthorized transactions, and balances for all valid transactions are paid in full each month. The scope of review will include any rewards program associated with credit cards to ensure that the benefits of any such program will inure to LALA not to any individual. The Chairman of the Academy's Board reviews activities of the credit card issued under the name of the Chief Executive Officer/Superintendent.

All original credit card receipts with expense report are provided to the accounting department for review and payment. If any purchase is not pre-approved, school related or containing original receipts or affidavit of purchases in lieu of receipts, the purchase and the subsequent payment will be the credit card holder's responsibility.

EMPLOYEE EXPENSE REIMBURSEMENT POLICY

All purchases incurred and expenses on behalf of Los Angeles Leadership Academy should be preapproved by Principals, Director of Finance or Chief Executive Officer/Superintendent. Purchases cannot include alcohol, personal items or other prohibited expenses. After purchase is made, an employee completes form "Request for the reimbursement" with original receipts attached and submits it for approval. After request will be approved check will be processed by accounting department.

Reimbursement requests must be submitted with supporting submitted in a timely manner. If purchases occur in June, reimbursement requests must be received no later than July 31st in order to be included in the proper fiscal year.

TRAVEL EXPENSE REIMBURSEMENT POLICY

In general, employees will be reimbursed for allowable expenses incurred – up to the limit of the prevailing Federal Per Diem rate – while on school-related travel. These expenses must be submitted on a Check Request Form and require approval by the School Principal or Chief Executive Officer/Superintendent. If the Principal is requesting reimbursement, the Chief Operations Officer or Chief Executive Officer/Superintendent must approve the form. If the Chief Executive Officer/superintendent is requesting reimbursement, the Chairman of the Academy's Board must approve the form.

Any travel expenses greater than the per diem rate must be preapproved by the Chief Executive Officer/Superintendent.

Mileage is also reimbursable for necessary business travel that takes an employee further from their home than their usual commute to work or that requires an employee to travel to an additional location beyond their normal work location. Mileage will be reimbursed at the prevailing Federal mileage reimbursement rate.

Overnight hotel stays are only approved in cases where an employee is attending a conference or event that is outside of the greater Los Angeles area. Any overnight travel must be approved in advance by the Chief Operations officer or Chief Executive Officer/Superintendent.

Reimbursement requests must be submitted within 30 days of travel for payment to be honored. Additional approval of Chief Operations Officer required if reimbursement request past 30 days. The school reserves the right to refuse reimbursement for any requests not submitted in a timely manner. If travel occurs in June, reimbursement requests must be received no later than July 31st in order to be included in the proper fiscal year.

FUNDRAISING ACTIVITIES

The school conducts fundraising activities from time to time that generate cash income. All fundraising activities have to be approved by Principals.

Whenever cash fundraising income is received, the following processes are followed:

- *Fundraising activities are overseen by the Principals, with prior approval by the Chief Operations Officer or Chief Executive Officer/Superintendent*
- *At least two individuals are designated as responsible staff for the collection and reporting of cash proceeds*
- *Cash collected is always safeguarded by being kept in an envelope or cash box in secure location with responsibility over the cash resting with one or two specific individuals.*
- *At the end of the day, cash is counted by one staff member while a 2nd staff member observes. The counter uses a Cash Receipts Form (obtained from Director of Finance or Office Technician) to count and verify cash proceeds.*
- *When count is completed, the 2nd person re-counts the deposit and signs off authorizing correctness of amount.*
- *The Cash Receipts form and all proceeds are delivered to the Director of Finance at the end of the day for safeguarding in a locked cabinet.*
- *If the fundraising activity spans across more than one day, counts should be made daily and delivered to the Director of Finance or Office Technician. If counts cannot be made on a daily basis, the funds should be placed in a sealed envelope with purpose and date indicated and delivered to the Director of Finance or Office Technician for safekeeping until proceeds can be counted.*

Under NO circumstances should the following occur:

- *Fundraising activities and cash proceeds received for events or program that Principal have NOT given express permission to conduct*
- *Cash collected and not delivered to the Director of Finance or Office Technician the same day (cash should NEVER be stored in a classroom or location other than the locked cabinet in the main office)*

Important: All money collected must be turned into the Director of Finance or Office Manager on a daily basis in a sealed envelope, with amount, date and source of money clearly marked on the outside.

ATTENDANCE AND STUDENT DATA REPORTING

LALA utilizes PowerSchool to track student data and attendance and to compile data for required reporting to the District and State. IALA is responsible for completing the monthly attendance reports as well as the P1, P2 and annual attendance reports. LALA is responsible for the accurate and timely reporting of CALPADS data.

CASH MANAGEMENT

At times, cash balances may get very low due to State cash flow deferrals and revenue cycles. Because of this Director of Finance with EdTec support performs detailed procedures to ensure knowledge of cash balances at all times and forecasted cash flow needs into the future.

Each week, cash balances are reviewed in conjunction with AP batch approvals.

PAYROLL

A personnel file will be maintained for each employee by the Chief Operations Officer and will be kept in a locked file cabinet or other secure location at the Los Angeles Leadership Academy office.

Payroll is processed for Los Angeles Leadership Academy via Paychex, a third-party payroll processing company. Payroll registers and all other required reports are maintained by LALA

Pay dates are as follows:

<u>Pay Date</u>		<u>Pay Period Covered</u>
5 th	=	16 th -31 st of previous month
20 th	=	1 st – 15 th of current month

Salaried employees, including teachers, are paid on a 12-month cycle. Year-round employees are paid July – June of each year, while teachers are paid August – July of each year. Hourly employees are paid based on hours worked as submitted on recalculated and approved time cards. The Principals/Assistant Principal and/or Chief Operations Officer review & approve time cards prior to submitting for processing. All overtime should be approved by the school's Principal or AP prior to being incurred. Time sheets are submitted each pay period in accordance with the payroll calendar delivered to Los Angeles Leadership Academy in June of each year. An Employee Handbook will outline other policies related to hours worked, vacation and sick time.

For certificated employees, a log of credential expiration dates will be maintained by the HR Clerk and will be monitored on a monthly basis to ensure valid status at all times.

State Teachers' Retirement System

All employees in credentialed positions are required to participate in the State Teachers' Retirement System (STRS) for retirement benefits. As such, these employees contribute 10.25% of eligible pay, and the employer pays 16.15% of eligible pay (rates subject to change annually). STRS reporting must be done through the Los Angeles County's Access-based system, and reports and payments are due to the County by the 5th business day of each month for the prior month's contributions.

Alternative Retirement System

LALA does not have an alternative retirement system at this time but does provide voluntary deduction options to employees for retirement contributions and other voluntary benefits.

CONTRACTS AND AGREEMENTS

Agreements entered into by LALA which obligate LALA to more than \$25,000 must be approved by the Board of Directors. All other authorization rules of purchases apply to contracts.

INDEPENDENT CONTRACTORS

The Director of Finance understands the rules regarding independent contractors, and it is LALA practice to obtain a completed Form W9 for all service contracts in excess of \$600 in any calendar year prior to releasing payment to the vendor.

Los Angeles Leadership Academy contracts with several people for various services including accounting, security, visiting artists, etc. If the cost of services is expected to exceed \$600 in any calendar year and the independent contractor is not known to be a corporation, the Director of Finance will request a completed Form W-9 before issuing the first payment. This information will then be used to complete Form CA DE 542 – Report of Independent Contractors (Required by Employment Development Department) within time frame required by State. Forms 1099M for applicable service providers will be prepared and filed by Director of Finance each year in accordance with IRS deadlines.

CAPITAL ASSETS

Individual assets purchased or acquired with an original cost of \$5,000 or more and a useful life exceeding one year are capitalized and reported at historical cost or estimated historical cost. This includes new or replacement items such as computers, furniture, equipment, fixtures, etc. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the various estimated useful lives ranging from 3 to 39 years.

Contributed assets are reported at fair market value as of the date received.

Physical inventories are maintained on all capital assets and computer equipment by the IT department and overseen by Chief Operations Officer.

NON-CASH DONATIONS

All non-cash donations of equipment, books, or other supplies received by LALA shall be recorded at their fair market value at the time of donation.

RECORD RETENTION POLICY

LALA maintains a policy of retaining all accounting records for a minimum of 7 years. Accounting documents include:

Cancelled checks (where applicable) and supporting documentation for all check requests

- Deposits
- Bank reconciliations and supporting documentation
- Journal entries
- Payroll registers and pays records, including quarterly and annual tax filings
- Capital additions schedules and supporting documentation
- Depreciation schedules
- Grants and other pertinent financial correspondence from third parties
- Year-end work papers and audit correspondence
- IRS correspondence

CONFLICTS OF INTEREST

Any Board member with a financial interest in a matter presented to the Board shall fully disclose such interest prior to Board discussion on the issue and shall recuse themselves from the discussion and voting on the matter. The Board shall develop a separate more comprehensive policy on conflict of interest, hiring of relatives, and compliance with Government Code 1090 and the Fair Political Practices Act.

FISCAL REVIEW AND BUDGET PROCESS

A Finance Committee consisting of the Director of Finance, Chief Executive Officer/Superintendent, two board members reviews financial reports each month. Monthly financial reports consist of:

- *Balance Sheet*
- *Budget vs. Actual – Year to Date - compares budget to actual activities*
- *Month-by-month cash flow report that is re-forecasted each month.*
- *Check Register for the Month*
- *Financial Summary highlighting key financial indicators and variances and State Budget info*

Any material variances between budget and actual/forecasted amounts are reviewed and discussed with the Finance Committee and actions are proposed as needed to keep the school within budget overall.

BUDGET PROCESS

The budget process begins in March-April of each year for the following year. During initial budget discussions, the current year forecast is reviewed in detail, and key assumptions are discussed and gathered.

The Director of Finance and Chief Operations Officer work with the Chief Executive Officer/Superintendent to develop initial draft and back office providers. The draft is then reviewed with the Finance Committee prior to being presented to the Board for approval. The preliminary budget is approved by the Board by June 30th of each year.

In the fall of each year, generally mid-October, forecast is reviewed and a revised budget may be drafted (when material assumptions have changed) with newest assumptions and latest enrollment info. The same process as above is followed and a revised budget may be approved, generally by November 30th.

In January, when the Governor's budget review is conducted, the budget is again reviewed and revisions are made only if budget changes are material.

MONTHLY AND YEAR-END FINANCIAL PROCEDURES

At the end of each month, the following procedures are completed by Director of Finance:

- *Reconcile all bank and credit card accounts*
- *Reconcile all balance sheet accounts with activity or large balances*
- *Review all revenue and expense activities for accuracy*
- *Review revenues and expenses against current year budget and research large variances*
- *Prepare financial statements for distribution to the Finance Committee*

Financial statements will be prepared and presented to the Finance Committee each month and to the Board of Directors as requested by the Board, but no less than once per year.

At the end of each fiscal year, all balance sheet accounts are reconciled. Accounts receivable is determined and accrued based on those revenues for the current year that have been apportioned but not received as of June 30th. Director of Finance communicates directly with the auditors on all financial matters affecting the audit.

APPENDIX 1

LALA Request for Proposal (RFP) Process

OVERALL PROCESS

Use of the RFP Process:

Los Angeles Leadership Academy (LALA) will leverage the RFP process whenever contracting external parties to provide services on behalf of the LALA organization. RFP's should be used for work that requires knowledge over and above what is currently within the organization, in order to ensure that LALA gets the best results by soliciting proposals from several experts.

EXTERNAL PARTIES

Recipients of the RFP:

The RFP should be sent to a variety of providers (generally at least three) external service providers who are qualified to perform the work and who are compliant with relevant laws and regulations. The recipients of the RFP should be carefully determined by the Chief Executive Officer/Superintendent and the Director who will be most involved with the project. This discussion should take place prior to distributing the RFP to external parties. Once a Director and the Chief Executive Officer/Superintendent have approved the RFP recipients, the external parties should be contacted to determine interest in submitting a proposal to LALA.

Responding to the RFP:

The external service provider should be allowed sufficient time to respond to the RFP. The amount of time external service providers are given will vary based on the project.

Deadline for submission:

In general, the deadline for receipt of proposals should be in line with the urgency of the request, after the RFP has been submitted.

RFP Criteria:

Proposals are generally judged on:

- **Quality:** The proposal should indicate what type of work or service the external party will provide. The proposal should be detailed and well thought out and is a reflection of the approach the third-party will take to the project.
- **Relevant Experience:** LALA should review any track record available for the external party to demonstrate past success in performing similar work or projects. This work should have been performed within the last year, preferably.
- **Time and Cost:** The external party must be able to complete the work within the requested time frame specified within the RFP, and the cost of the work should be in line with the time, staff, and production costs associated with the work.
- **Referrals:** Completed projects in the past that are referenced as a component of the external party's track record should be confirmed.

RFP REQUIREMENTS

Overall scope:

When an RFP is sent to an external party, the following information must be included:

- The type of service or product desired (e.g. catering, after-school sports program).
- The date proposals are due, expected start date of work, as well as the timing of the overall project.
- A LALA contact to whom the third party can submit questions during the RFP process.

RFP format:

When sending the RFP to an external party, the following should be included:

- **Title Sheet:** The title sheet should include LALA's name, an indication of the project, and the date of submission.
- **Introduction:** The introduction summarizes the project for which the external service provider will be hired.
- **Objectives:** Define objectives and purpose for the proposal with measurable outcomes.
- **Scope of Services:** The scope of services should describe the parties involved, phasing (if applicable), as well as the time schedule. It should describe the relationship of the external party's work to the project, the end user(s) of the product, the specific audience to be addressed, and most importantly, the purpose of the external party's work.

PROPOSAL REQUIREMENTS

Cover Letter:

The cover letter should include a brief introduction to the project.

Summary of Work:

This should provide a high level description of each component of the project/services to be performed.

Scope of Work:

This is the area where the external party should include information related to how the purpose and the objective of the project within the RFP will be addressed. The scope of services may include items such as, raw data, planning analysis, implementation strategies, designs or sketches.

Communication:

The manner in which communication will be maintained should be specified, as well as who the responsible individuals are that can be contacted for questions during the proposal process, as well as the implementation of the services/project.

Timeline and Phasing:

This section should outline all work tasks and their approximate completion dates. The timetable would preferably include mid-project evaluations, as appropriate.

Fees:

The external party may break down expenses by employee or by phases on a lump sum basis. If the external party chooses to be paid on a lump sum basis, it is suggested that

the bulk of the payment be made at the end of the project, after the work is satisfactorily completed. A maximum price for the work should be provided.

Qualifications:

- a. Resume or bio of those involved in the project.
- b. Description of expertise in relevant areas.

Final Product:

A detailed description of the final product to be provided should be included at the end of the proposal. It should respond directly to the products specified in the RFP.

Vendor Management:

LALA should review and approve the RFP policy and vendor inventory, at least yearly, as well as establish Key Performance Indicators and metrics for the third parties to report to LALA on a periodic basis to ensure compliance and operations in line with stipulated agreements.

Suspension and debarment

LEAs should only award contracts with federal funds to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. An LEA may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000, an LEA verifies that the vendor with whom the LEA intends to do business is not excluded or disqualified (2 CFR Part 200, Appendix II [1] and 2 CFR 180.220 and 180.300). LALA will check the excluded parties list on Sam.gov and explain **COO** will be responsible for the verification and the documentation will be maintained in company file and that **COO** will check vendor contracts to see if they include clause that certifies that they are not suspended or debarred.

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