**Introduction**

This document sets forth the procedures used by Nittany Valley Charter School (the District) to administer federal funds.

1. **Financial Management System**

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

1. Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

***Identification***

The District must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity.

***Financial Reporting***

Accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).

***Accounting Records***

The District must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

***Internal Controls***

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

“Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

* Effectiveness and efficiency of operations;
* Adequate safeguarding of property;
* Assurance property and money is spent in accordance with grant program and to further the Selected objectives; and
* Compliance with applicable laws and regulations.

***Budget Control***

Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

**For our purposes, all grant money received falls into the Micro-Purchase:**

**Purchases up to $3,000 (Micro-Purchases)**

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed $3,000. The micro-purchase method is used in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the District distributes micro-purchases equitably among qualified suppliers. The CEO and/or Director of Education will research the best price available through online suppliers or through our IU.

Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all micro-purchases.