

**TOWN OF GRAND ISLE - UNIFORM GRANT GUIDANCE
POLICIES/PROCEDURES**

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TOWN OF GRAND ISLE, VERMONT

Purchasing and Procurement Policy

SECTION I GENERAL INFORMATION

1. The Selectboard of the Town of Grand Isle hereby adopts the following policy as the rules by which purchases by all Town departments and Town officers shall be made, as of January 8th, 2024 (the "**Effective Date**"). This policy shall promote and effect open and intelligent purchasing of supplies, equipment, and services, which will result in the maximum value received by the Town for each tax dollar spent.
2. This policy shall supersede and replace all previously adopted policies pertaining to municipal purchases that may have been in effect prior to the Effective Date.
3. If any portion of this policy is found to be in violation of federal or state law (or inconsistent with any provision applicable thereto), the remainder of this policy shall remain in full force and effect.
4. Whenever possible, qualified small, minority and women-owned businesses should be included in the solicitation lists for bids, proposals or non-bid purchases.
5. Violations of this policy may result in a Town employee being subject to disciplinary action, up to, and including, termination.

SECTION II CODE OF CONDUCT

1. Employees, officers and agents of the Town (each, a "**Town Agent**") who are involved in the procurement and selection of bids, proposals and purchases shall make reasonable efforts to avoid real, apparent, or potential conflicts of interest. No Town Agent shall participate in the selection, award, or administration of a contract, if a conflict of interest (real or apparent) would be involved. Such a conflict would arise when: (a) the Town Agent, (b) any member of the Town Agent's immediate family, (c) the Town Agent's partner, or (d) an organization which employs, or is about to employ, any of the above, has a financial or personal interest in the firm/vendor selected for the award.
2. Town Agents who are involved in the procurement and selection of a bid, proposal or purchase and who has a real or apparent conflict of interest must disclose that conflict of interest within the context of a duly warned Selectboard meeting that occurs before the bid or proposal selection or purchase takes place. Such disclosure must be documented in the minutes for that

meeting which shall be retained as part of the official record surrounding the bid, proposal or purchase.

3. Town Agents shall not make any purchase from a vendor in which they have an ownership interest, except when the Selectboard deems such purchase to be in the best interest of the Town.

4. Town Agents shall not solicit (nor accept) gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub agreements.

5. Town Agents shall not use their Town position, including information learned by virtue of such position, for their personal benefit or for the benefit of others. Personal purchases with Town accounts and/or charging accounts of Town vendors for personal purchases are prohibited.

6. Town Agents who violate this Section II (Code of Conduct) may be sanctioned or disciplined, to the extent permitted by law.

SECTION III PURCHASING AUTHORITY

1. *Purchasing Agents.* The following Town Agents are designated to act as “**Purchasing Agents**” for the Town:

Road foreman, Road Commissioner, Building Facilities Manager, Town Clerk,
Recreation Committee Chair, Library Director, Selectboard Chair and Listers

2. *Purchasing Agent Responsibilities.* Purchasing Agents shall ensure that:

- a. the best possible price and quality are obtained with each purchase.
- b. all proposed procurements avoid unnecessary or duplicative purchases of equipment, supplies and services.
- c. competition is not restricted with unreasonable limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

- d. the Town complies with any terms and conditions of the funding source(s)¹ being used for the purchase (the “**Funding Terms and Conditions**”). If there is any conflict between this policy and the Funding Terms and Conditions, the Purchasing Agent should consult with the Town Attorney for an opinion on how to resolve such conflict.

3. *Incidental Purchases.* Purchasing Agents may make purchases of up to \$2,000.00 (“**Incidental Purchases**”) without prior approval, provided those purchases are limited to the amount of the budget authorized by the Town.

4. *Minor Purchases.* Purchasing Agents may make purchases with a value between \$2,000 and \$5,000.00 (“**Minor Purchases**”) only with prior approval of the Selectboard. Competitive quotes from at least two (2) vendors should be obtained, whenever possible. Written, oral, phone or catalog quotes are acceptable provided they are documented.

5. *Major Purchases.* All purchases over \$5,000.00 (“**Major Purchases**”) require prior approval of the Selectboard. For Major Purchases, the Selectboard shall have the responsibilities outlined in Section III.2 above. For such Major Purchases, the Town shall obtain price and rate quotations from at least two (2) vendors to ensure that the Town has received a fair and reasonable price.

6. *Recurring Purchases.* For recurring purchases of a good or service during any fiscal year, the anticipated total value should be used to determine whether it is an Incidental Purchase, Minor Purchase or Major Purchase. Once a vendor selection has been made, all future purchases may be made from that vendor for the accepted price/rate without necessity of additional procedures.

- a. *Procurement of Bulk Materials.* Notwithstanding anything herein to the contrary, on at least an annual basis, the Town should solicit sealed bids for the procurement of materials that are regularly purchased in bulk quantities such as sand, salt, chemicals, fuel, bituminous concrete, hoses, and fittings, etc.

SECTION IV SELECTION CRITERIA

1. In evaluating bids or proposals, the Town may consider the following criteria:

- Price.
- Vendor’s ability to perform within the specified time limits.
- Vendor’s experience and reputation, including past performance for the Town.
- Quality of the materials and services specified in the bid or proposal.

¹ NOTE: Federal funding generally has terms and conditions related to: prohibitions on preference for local contractors or suppliers sealed bids; number of price or rate quotes; qualifications of vendors; affirmative action; prohibitions on selecting vendors from an exclusion list; and other miscellaneous provisions regarding fair and unrestricted competition.

- Vendor's ability to meet other terms and conditions, including insurance and bond requirements.
- Vendor's financial responsibility.
- Vendor's availability to provide future service, maintenance, and support.
- Nature and size of vendor.
- Contract provisions that are acceptable to the Town.
- Any other factors that the Selectboard determines are relevant and appropriate in connection with a given project or service.

2. The Town should seek to obtain the best quality products and services at the lowest possible price in the most convenient manner. However, unless prohibited by any Funding Terms and Conditions, the Town may exercise a preference for local businesses, but only if such a preference does not result in unreasonable prices or rates due to a lack of competition.

SECTION V SEALED BID PROCEDURES

1. *Sealed Bid Process.* Whenever required (or desired), the sealed bid process shall be initiated by the issuance of a Request for Sealed Bids prepared by the Selectboard (or its designee). Notice of the Request for Sealed Bids shall be made by letters to known providers soliciting bid responses, advertisements posted in three (3) public locations within the Town, and advertisement(s) placed in a newspaper of general circulation in the region.

2. *Sealed Bid Specifications.* A list of bid specifications must be prepared for all sealed bids and shall be available for inspection at the Town office immediately after a Request for Sealed Bids is issued. At a minimum, sealed bid specifications shall include:

- Bid name.
- Bid submission deadline.
- Date, location, and time of bid opening.
- Specifications for the project or services including quantity, design, and performance features.
- Bond and/or insurance requirements.
- A copy of the proposed contract.
- Any special requirements unique to the project or purchase.
- Delivery or completion date.
- For construction projects, language that sets a requirement for a bid guarantee in the amount of 5% of the bid price from all vendors, as well as performance and payment bonds in the amount of 100% of the contract price from the contractor awarded the bid. (The vendors must also include costs for Davis Bacon compliance if that is one of the Funding Terms and Conditions.)

- For construction projects over \$2,000, a statement that contractors (i) will be provided with a copy of the most current wage determination (from the DOL website at <http://www.wdol.gov/dba.aspx>) and (ii) must comply with the Davis Bacon Act.
- Language that reserves for the Selectboard the right at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with any vendor, and to make an award which in its sole and absolute judgment will best serve the Town's interest.
- Language that reserves for the Selectboard the right to investigate the financial condition of any vendor to determine such vendor's ability to assure service throughout the term of the contract.

3. *Sealed Bid Submission.*

- a. All bids must be submitted in sealed envelopes, addressed to the Town in care of the Selectboard, and plainly marked with the name of the bid and the time of the bid opening. Faxed or emailed bids are not considered sealed bids.
- b. Bid proposals will be date-stamped on the outside of the envelope immediately upon receipt. Any bids received after the time and date specified shall not be considered and shall be returned to the vendor unopened.
- c. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids.
- d. Vendors shall bid to specifications and any exceptions must be noted by the vendor.
- e. A vendor submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection of any kind with any other vendor for the same work, and that the vendor is competing solely on such vendor's behalf without connection with, or obligation to, any undisclosed person or firm.

4. *Sealed Bid Opening.* Every sealed bid received prior to the bid submission deadline will be publicly opened by the Selectboard. Upon each bid's opening, the following will be read aloud: the name and address of vendor; for lump sum contracts, the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total, if stated; and the nature and the amount of security furnished with the bid, if required.

5. *Specification Changes.* If the Town makes specification changes prior to the close of the bid process, the Request for Sealed Bids will be amended, notice shall be sent to any vendor who already submitted a bid and a new bid process will be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the Selectboard will prepare a change order

specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

SECTION VI COMPETITIVE PROPOSALS PROCESS

1. If time does not permit the use of sealed bids, or if the award will be made on the basis of non-price related factors, a competitive proposal process may be initiated by the issuance of a Request for Proposals (RFP) or Request for Qualifications (RFQ) prepared by the Selectboard (or its designee) that includes the factors that will be used to evaluate and compare the proposals.

2. Proposals or qualifications shall be obtained from at least two (2) vendors to ensure that the Town has received a fair and reasonable price and all notification and record keeping requirements of the sealed bid process shall be followed.

3. If competitive proposals are used, all of the above steps in Section V above should be followed except that: 1) the bid submission need not be sealed; 2) a formal bid opening is not required and 3) price doesn't need to be the primary factor in the proposal selection.

SECTION VII RECORDS

Records documenting the procurement process for any Minor Purchase or Major Purchase is required. Such documentation shall include the reason for the specific procurement method chosen, the basis for the award and contract pricing (showing evidence that the process was fair and equitable), as well as any other significant decisions that were part of the procurement process.

SECTION VIII CONTRACTS FOR LABOR SERVICES/PROFESSIONAL SERVICES

1. *Process.* Section VI above shall apply to the selection of providers for services that are characterized by a high degree of professional judgment and discretion including legal, financial, auditing, risk management, and insurance services.

2. *Written Agreement.* The procurement of labor services/professional services with a value of \$4,000.00 or more per project shall require a written agreement between the Town, and the service provider. Any agreement requires approval from the Selectboard. Copies of agreements shall be furnished to the Selectboard and the Treasurer.

3. *W-9.* The Treasurer shall possess a duly executed W-9 Form for each vendor that provides services with a value of \$600.00 or more per calendar year.

4. *Bonds.* The Selectboard may require such bonds and/or cash sureties (such as retainage), as appropriate and as allowed by law, for projects/professional service.

5. *Indemnification.* In so much as possible, as a condition of performing contracted services to the Town, all contractors, subcontractors, and persons other than Town employees who perform services for the Town (“**Vendors**”) shall be required to indemnify and hold harmless the Town of Grand Isle for damages, claims and liabilities which may arise because of the work to be performed.

6. *Warranties.* Except for written manufacturer's exclusions allowed by law, all contracted services for construction or installation of equipment, parts and materials shall be warranted to the Town for at least one (1) year from date of final completion of work, to include replacement and/or repairs at no cost to the Town.

7. *Insurance.* In so much as possible, the Town shall require (i) all Vendors to maintain insurance coverage with the minimum amounts listed below and (ii) all Vendors that perform labor services for the Town to list the Town as an additional insured.

- a. Commercial General Liability insurance coverage providing coverage on an “occurrence” rather than on a “claims made” basis, which policy shall include, but not be limited to, coverage for bodily injury, property damage, personal injury, contractual liability (applying to the contract), independent contractors, and products-completed operations liability (if applicable): \$1,000,000 per occurrence / \$2,000,000 aggregate
- b. Business automobile liability insurance including coverage for owned, leased, hired, and non-owned vehicles: \$2,000,000 combined per accident or incident.
- c. Workers’ compensation insurance in compliance with all applicable statutes including an all states or universal endorsement where applicable: Statutory requirements, plus employer’s liability coverage in an amount of no less than \$500,000 unless the statutory requirements are higher.

Prior to the start of any work, the Town must be furnished with an insurance certificate as proof that coverage is in place. Certificates shall be placed on file with the Treasurer.

NOTE: Nothing in this Section VIII.7 shall be deemed to prohibit the Selectboard from requiring coverage amounts at a higher level or imposing additional types of coverage up to the value of the entire project, as may be in the best interest of the Town.

SECTION IX LEASE PURCHASES

1. *Applicability.* The purchase or lease of any equipment, vehicles or materials which require periodic payments over a course of one (1) year or more shall be subject to all applicable provisions of this policy in accordance with the dollar values set forth herein, on the basis of the total of all potential periodic payments.

2. *Non-appropriation Clause.* All lease purchase agreements shall contain a non-appropriation clause whereby the Town shall not be obligated under the terms of the lease if the necessary funds are not appropriated at a future town meeting.

SECTION X LEGAL SERVICES

1. *Authority.* Except as otherwise prescribed by law, the Selectboard (as a body or through its chair) is the only agent of the Town with the authority to select legal representation, solicit legal opinions, contract for legal services, initiate judicial or quasi-judicial proceedings, defend against a legal action or otherwise obligate resources for legal purposes on behalf of the Town. The Selectboard may decide, within their sole discretion, as to whether a Town Agent shall be allowed to engage the Town Attorney at Town expense.

2. *Exception.* Notwithstanding the other provisions of this Section X, it shall be permitted for Selectboard Chair and Vice Chair, Health Officer, Animal Control, BCA chair, Town Clerk, Town Treasurer, DRB Chair, Zoning Administrator and Planning Commission chair to contact the Town Attorney in the judicious exercise of the responsibilities of the position for which they hold, provided: (a) the nature of contact is for advisory purposes related to work duties only; (b) the reasons for contact are not a subterfuge for such person to circumvent the provisions of this policy; (c) the Selectboard shall be notified of the nature for requesting legal services, (d) the Selectboard shall be informed of the correspondence as soon thereafter as possible; and (e) all correspondence to and from the Town Attorney shall be in writing whenever possible with courtesy copies forwarded to the Selectboard.

3. *Confidentiality.* Written and oral communications between the Selectboard (and/or authorized Town Agents) and the Town Attorney shall be considered confidential.

SECTION XI EXCEPTIONS

The following exceptions may apply, however there must be written documentation created and maintained that outlines the process and rationale for such exceptions:

1. *Sole Source Purchases.* If the Selectboard determines that there is only one possible source for a proposed purchase, it may waive the bid procedures and authorize the purchase from the sole source.

2. *Emergency Purchases.* In the event of an emergency, a Town Agent or the Selectboard may procure items and services without adhering to the procedures described herein. Any Town Agent making a purchase pursuant to this exception must submit a written explanation to the Selectboard within one (1) business day of the transaction detailing the nature of the emergency, the services procured and the cost.

- a. Emergency expenditures may include immediate repair or maintenance of Town property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important Town services.

3. *Certain Repairs.* It is understood that multiple price quote requirements will usually not be feasible when it comes to repairs to Town-owned vehicles and specialized equipment. Under these circumstances, preference shall be given to dealers approved by a manufacturer or vendors with a satisfactory history of fair pricing and superior work quality.

SECTION XII BUDGET ADMINISTRATION

1. *Planned Purchases.* All purchases shall be limited to those items and services which have been planned in advance, to the greatest extent possible. All purchases that do not meet this criterion should be essential to fulfilling the mission of the Town.

2. *Overspending.* No department shall be permitted to overspend a line item, category, or department budget without Selectboard approval. For clarification, debiting and crediting like amounts between categories, deficit spending and the purchase of items not identified in the approved budget require Selectboard approval.

3. *Unbudgeted Purchase Requests.* Requests for the Selectboard to act on unbudgeted purchase requests must be submitted in writing for pre-approval during a regular Selectboard meeting in all the following situations:

- The expenditure of grant funds or surplus revenues for unbudgeted purchases or as a means of supplementing the operating budget.
- Overspending capital budget line items.
- Overspending the bottom line of an operating budget.

SECTION XIII GRANT APPLICATIONS - ADMINISTRATION

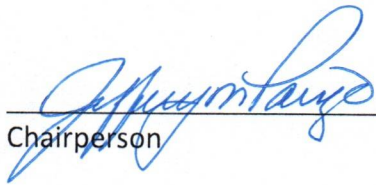
No Town Agent shall apply for a grant on behalf of the Town without first obtaining approval from the Selectboard. Thereafter, the Selectboard shall be apprised of grant activity and status. When the grant has been awarded, all grant award paperwork, including copies of the original request, shall be submitted to the Treasurer and the Selectboard. These documents shall state

exactly how much was awarded and exactly on what the grant funds will be spent. All other purchasing procedures shall be followed.

SECTION XIV WAIVER

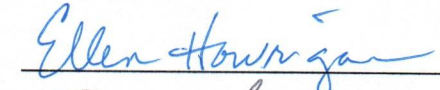
The Selectboard may vote to waive any requirement set forth herein, as it may deem to be in the best interest of the Town. Examples of situations whereby the Selectboard may approve a waiver are the use of Vermont State Purchasing Department procurements, "piggy-backs" on to bid awards issued by other government agencies and instances where significant discounts may be obtained by prompt action.

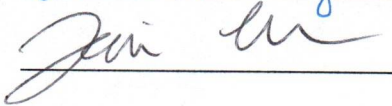
The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.



Chairperson

Selectboard Members:





TITLE: FEDERAL FISCAL COMPLIANCE

ADOPTED: January 8, 2024

REVISED:

FEDERAL FISCAL COMPLIANCE

1. Authority - The Selectboard shall ensure federal funds received by the town are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance.

The Selectboard shall review and approve all applications for federal funds submitted by the town.

2. Delegation of Responsibility - The Selectboard designates the Town Treasurer as the town contact for all federal programs and funding.

The Town Treasurer, in collaboration with the Selectboard that applied for the grant and the Selectboard, shall establish and maintain a sound financial management system to include internal controls and federal grant management standards covering the receipt of both direct and state-administered federal grants, and to track costs and expenditures of funds associated with grant awards.

3. Guidelines - The town's financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met.

Financial management standards and procedures shall assure that the following responsibilities are fulfilled:

1. Identification - the town must identify, in its accounts, all federal awards received and expended, and the federal programs under which they were received.

2. Financial Reporting - Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements.

3. Accounting Records - the town must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.

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

5. Budget Control - Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.

6. Cash Management - The town shall maintain written procedures to implement the cash management requirements found in the grant requirement.

7. Allowability of Costs - The town shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

Standards of Conduct

The Selectboard shall maintain standards of conduct covering conflicts of interest and the actions of employees and town employees or officials engaged in the selection, award and administration of contracts.

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of town policies, administrative regulations, rules and procedures.

Employees - Time and Effort Reporting

All town employees paid with federal funds shall document the time they expend in work performed in support of each federal program, in accordance with law. Time and effort reporting requirements do not apply to contracted individuals.

Town employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient.

The town shall establish and maintain employee policies on hiring, benefits and leave and outside activities, as approved by the Selectboard.

Record Keeping

The town shall develop and maintain a Records Management Plan and related Selectboard policy and administrative regulations for the retention, retrieval and disposition of manual and electronic records, including emails.

The town shall ensure the proper maintenance of federal fiscal records documenting:

1. Amount of federal funds.

2. How funds are used.

3. Total cost of each project.
4. Share of total cost of each project provided from other sources.
5. Other records to facilitate an effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and results.

All records must be retrievable and available for programmatic or financial audit.

The town shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other town records which are pertinent to the federal award. The town shall also permit timely and reasonable access to the town's personnel for the purpose of interview and discussion related to such documents.

Records shall be retained for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs.

If any litigation, claim or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims or audits have been resolved and final action taken.

As part of the Records Management Plan, the town shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal.

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.

The town shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, Selectboard policy and administrative regulations.

Subrecipient Monitoring

In the event that the town awards subgrants, the town shall establish procedures to:

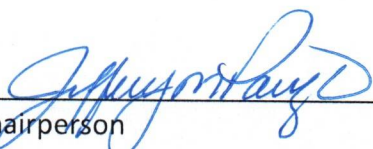
1. Assess the risk of noncompliance.

2. Monitor grant subrecipients to ensure compliance with federal, state, and local laws and Selectboard policy and procedures.
3. Ensure the town's record retention schedule addresses document retention on assessment and monitoring.

Compliance Violations

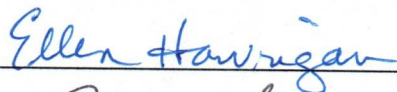
Employees and contractors involved in federally funded programs and subrecipients shall be made aware that failure to comply with federal law, regulations or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

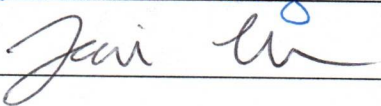
The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.

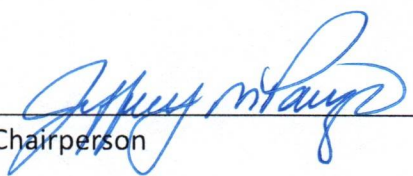


Chairperson

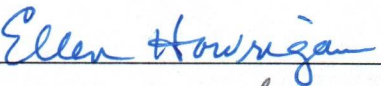
Selectboard Members:

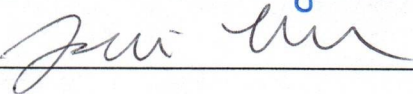





Chairperson

Selectboard Members:





SECTION: OPERATIONS

TITLE: TRAVEL REIMBURSEMENT - FEDERAL PROGRAMS

ADOPTED: January 8, 2024

REVISED:

TRAVEL REIMBURSEMENT - FEDERAL PROGRAMS

1. Authority - The Selectboard shall reimburse administrative, professional and support employees, and town employees or officials, for travel costs incurred in the course of performing services related to official business as a federal grant recipient.
2. Definition - For purposes of this policy, travel costs shall mean the expenses for transportation, lodging, subsistence, and related items incurred by employees and town employees or officials who are in travel status on official business as a federal grant recipient.
3. Delegation of Responsibility Policy - town officials and town employees shall comply with applicable Selectboard policies and administrative regulations established for reimbursement of travel and other expenses.

The validity of payments for travel costs for all town employees and town officials shall be determined by the Selectboard and require preauthorization from the Selectboard.

4. Guidelines - Travel costs shall be reimbursed on a mileage basis for travel using an employee's personal vehicle and on an actual cost basis for meals, lodging and other allowable expenses, consistent with those normally allowed in like circumstances in the town's non federally funded activities, and in accordance with the town's travel reimbursement policies and administrative regulations.

Mileage reimbursements shall be at the rate approved by the Selectboard for other town travel reimbursements. Actual costs for meals, lodging and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by the Selectboard.

All travel costs must be presented with an itemized, verified statement prior to reimbursement.

In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that:

1. Participation of the individual is necessary to the federal award.
2. The costs are reasonable and consistent with the town's established policy.

The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.

Allowability of Costs - Federal Programs

Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state.

Delegation of Responsibility

When determining how the town will spend its grant funds, the Selectboard will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service.

Allowability Determinations

All costs supported by federal funds must meet the standards which are listed below. The Selectboard must consider these factors when making an allowability determination. A section entitled, *Helpful Questions for Determining Whether Costs are Allowable*, is located at the end of this document.

General cost guidelines that must be considered, as well as rules for specific types of items, both of which must be considered when determining whether a cost is an allowable expenditure of federal funds. The expenditure must also be allowable under the applicable program statute, along with accompanying program regulations, non regulatory guidance and grant award notifications.

Restrictions in state and local rules or policy also must be considered. For example, travel and other job-related expenses incurred by town officials and employees are not allowable unless they also are in compliance with Selectboard Policy and related administrative regulations.

Whichever allowability requirements are stricter will govern whether a cost is allowable.

General allowability determination factors include the following:

1. Be Necessary and Reasonable for the performance of the federal award. 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 to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

-Whether the cost is a type generally recognized as ordinary and necessary for the operation of the town or the proper and efficient performance of the federal award.

-The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.

-Market prices for comparable goods or services for the geographic area.

-Whether the individual incurring the cost acted with prudence in the circumstances considering responsibilities to the town, its employees, its tax payers, the public at large, and the federal government.

-Whether the town significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

Whether a cost is necessary will be determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the town can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to:

-Whether the cost is needed for the proper and efficient performance of the federal award program.

-Whether the cost is identified in the approved budget or application.

-Whether there is a benefit associated with the cost.

-Whether the cost aligns with identified needs based on results and findings from a needs assessment.

-Whether the cost addresses program goals and objectives and is based on program data.

2. Allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program.

3. Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the town.

4. Conform to any limitations or exclusions set forth as cost principles or in the terms and conditions of the federal award.

5. Consistent treatment. A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

6. Adequately documented. All expenditures must be properly documented.

7. Be calculated in accordance with generally accepted accounting principles (GAAP).

8. Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the non federal entity to contribute a certain amount of nonfederal resources to be eligible for the federal program.

9. Be the net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. (2 CFR Sec. 200, 406)

Selected Items of Cost

Subpart E of Part 200 sets forth principles to be applied in establishing the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost), at 2 CFR Sec. 200.420-200.475. These specific cost items are listed in the chart below along with the citation to the section of Subpart E addressing the allowability of that item. These principles are in addition to the other general allowability standards, and apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Meeting the specific criteria for a listed item does not by itself mean the cost is allowable, as it may be unallowable under other standards or for other reasons, such as restrictions contained in the terms and conditions of a particular grant or restrictions established by the state or in Selectboard policy. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

Town officials and personnel responsible for spending federal grant funds and for determining allowability must be familiar with and refer to the Part 200 selected items of cost section. These rules must be followed when charging these specific expenditures to a federal grant. When applicable, employees must check costs against the selected items of cost requirements to ensure the cost is allowable, and also check state, town and program-specific rules.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation - personal services	2 CFR § 200.430
Compensation - fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458

Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.463
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Helpful Questions for Determining Whether Costs are Allowable -

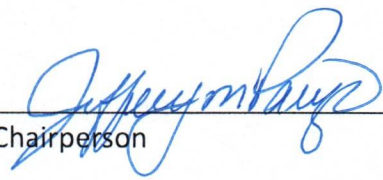
In addition to applying the cost principles and standards described above, town officials and / or staff involved in expending federal funds should ask the following questions when assessing the allowability of a particular cost:

1. Is the proposed cost allowable under the relevant program?
2. Is the proposed cost consistent with an approved program plan and budget?
3. Is the proposed cost consistent with program specific fiscal rules? For example, the town may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources, or only as a match for funds from non federal sources.
4. Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?
5. Is the proposed cost consistent with the underlying needs of the program? For example, program funds must benefit the appropriate population for which they are allocated.
6. Will the cost be targeted at addressing specific areas of weakness that are the focus of the program, as indicated by available data?

Any questions related to specific costs should be forwarded to the Selectboard who shall consult with the Town Treasurer for clarification as appropriate.

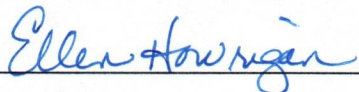
The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th

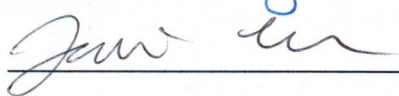
day of January, 2024 and is effective as of this date until amended or repealed.



Chairperson

Selectboard Members:





Cash Management - Federal Programs

In some circumstances, the town may receive an advance of federal grant funds. This attachment addresses responsibilities of the town and town staff under those alternative payment methods. In either case, the town shall maintain accounting methods and internal controls and procedures that assure those responsibilities are met.

Payment Methods

Reimbursements -

The town will initially charge federal grant expenditures to nonfederal funds. The Town Treasurer will request reimbursement for actual expenditures incurred under the federal grants quarterly.

Such requests shall be submitted with appropriate documentation and signed by the requestor. Requests for reimbursements will be approved by the Selectboard.

Reimbursement will be submitted on the appropriate form. All reimbursements are based on actual disbursements, not on obligations. Process reimbursement requests within the timeframes required for disbursement.

Consistent with state and federal requirements, the town will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for review upon request.

Reimbursements of actual expenditures do not involve interest calculations.

Advances

When the town receives advance payments of federal grant funds, it must minimize the time elapsing between the transfer of funds to the town and the expenditure of those funds on allowable costs of the applicable federal program. (2 CFR Sec. 200.305(b)) The town shall attempt to expend all advances of federal funds within seventy-two (72) hours of receipt.

When applicable, the town shall use existing resources available within a program before requesting additional advances. Such resources include program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. (2 CFR Sec. 305(b)(5))

The town shall hold federal advance payments in insured, interest-bearing accounts.

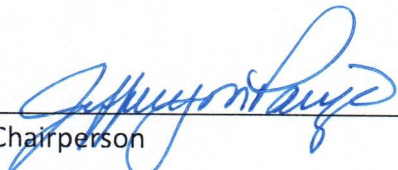
The town is permitted to retain for administrative expense up to \$500 per year of interest earned on federal grant cash balances. Regardless of the federal awarding agency, interest earnings

exceeding \$500 per year shall be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. (2 CFR Sec. 200.305(b)(9))

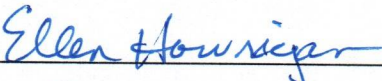
Pursuant to federal guidelines, interest earnings shall be calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the town. Consistent with state guidelines, interest accruing on total federal grant cash balances shall be calculated on cash balances per grant and applying the actual or average interest rate earned.

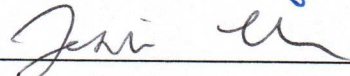
Remittance of interest shall be the responsibility of the Town Treasurer.

The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.


Chairperson

Selectboard Members:





Administration of Federal Funds - Type of Costs, Obligations and Property Management

The town establishes and maintains Selectboard policies, administrative regulations and procedures on administration of federal funds in federal programs as required by the Uniform Grant Guidance and other federal, state and local laws, regulations and requirements. The town's financial management system includes internal controls and grant management standards in the following areas.

Direct and Indirect Costs

Direct costs - costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Indirect costs - costs incurred for a common or joint purpose benefiting more than one (1) cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. (2 CFR Sec. 200.405, 200.413)

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs.

Direct and indirect costs shall be determined in accordance with law, regulations, the terms and conditions of the federal award, and the town's negotiated indirect cost rate.

The town shall develop an indirect cost rate proposal and cost allocation plan in accordance with law, regulations and the terms and conditions of the federal award.

Timely Obligation of Funds

Obligations - orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the town during the same or a future period.

The following table illustrates when funds must be obligated under federal regulations:

Obligation is for:

Acquisition of property

Obligation is made:

On the date on which the town makes a binding written commitment to acquire the property

Personal services by a town employee

When the services are performed

Personal services by a contractor who is not a town employee

On the date on which the town makes a binding written commitment to obtain the services

Public utility services

When the town receives the services

Travel

When the travel occurs

Rental of property

When the town uses the property

A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR Part 200, Subpart E - Cost Principles 34 CFR \$75.707; 34 CFR \$76.707

On the first day of the project period

All obligations must occur between the beginning and ending dates of the federal award project, which is known as the period of performance. The period of performance is dictated by law and regulations and will be indicated in the federal award. Specific requirements for carryover funds may be specified in the federal award and must be adhered to by the town. (2 CFR Sec. 200.77, 200.309)

The town will handle obligations and carry over of state-administered and direct grants in accordance with state and federal law and regulations, and the terms and conditions of the federal award. Carryover will be calculated and documented by the Town Treasurer.

The town may exercise an extension of the period of performance under a direct grant in accordance with law, regulations and the terms and conditions of the federal award when written notice is provided to the federal awarding agency at least ten (10) calendar days prior to the end of the period of performance. (2 CFR Sec. 200.308(d)(2)) The Town Treasurer will decide when an extension of the period of performance is necessary and will recommend that the Selectboard approve this process.

The Selectboard will develop the required written notice, including the reasons for the extension and revised period of performance; the notice will be issued no later than ten (10) calendar days prior to the end of the currently documented period of performance in the federal award.

The town must seek approval from the federal awarding agency for an extension of the period of performance when the extension is not contrary to federal law or regulations, and the following conditions apply:

1. The terms and conditions of the federal award prohibit the extension;
2. The extension requires additional federal funds; or

3. The extension involves any change in the approved objectives or scope of the project. (2 CFR Sec. §200.308)

The Town Treasurer will determine when an extension must be requested for approval by the federal awarding agency, draft the written request and notify the Selectboard of the requested extension.

Management of Property Acquired With Federal Funds

Contract and Purchasing Administration -

The town maintains internal controls, administrative regulations and procedures to ensure that contractors deliver goods and services in accordance with the terms, conditions and specifications of the designated contract, purchase order or requisition.

Property Classifications -

Property shall be classified as equipment, supplies, computing devices and capital assets as defined and specified in accordance with law, regulations and Selectboard policy.

Inventory Control/Management -

All property purchased with federal funds, regardless of cost, will be inventoried as a safeguard.

Inventory will be received by the department or program requesting the item; designated staff will inspect the property, compare it to the applicable purchase order or requisition, and ensure it is appropriately logged and tagged in the town's property management system.

Items acquired will be physically labeled by source of funding and acquisition date.

Inventory records of equipment and computing devices must be current and available for review and audit, and include the following information:

1. Description of the item, including any manufacturer's model number.
2. Manufacturer's serial number or other identification number.
3. Identification of funding source.
4. Acquisition date and unit cost.
5. Source of items, such as company name.
6. Percentage of federal funds used in the purchase.

7. Present location, use, condition of item, and date information was reported.

8. Pertinent information on the ultimate transfer, replacement or disposition of the item and sale price of the property.

Inventory will be updated as items are sold, lost or stolen, or cannot be repaired, and new items are purchased.

Physical Inventory -

Physical inventory of property will be completed by designated town staff in accordance with applicable federal and state law and regulation and Selectboard policy.

The physical inventory of items will be conducted annually, and the results will be reconciled with the inventory records and reported to the federal awarding agency.

Maintenance -

The town establishes adequate maintenance procedures to ensure that property is maintained in good condition in accordance with law, regulation and Selectboard policy.

Safeguards -

The town ensures that adequate safeguards are in place to prevent loss, damage or theft of property:

1. Any loss, damage or theft will be reported to the Selectboard and investigated and fully documented, and may be reported to local law enforcement.
2. If stolen items are not recovered, the town will submit copies of the investigative report and insurance claim to the federal awarding agency.
3. The town may be responsible for replacing or repairing lost, damaged, destroyed or stolen items.
4. Replaced equipment is property of the originally funded program and should be inventoried accordingly.
5. Town property may only be loaned in accordance with Selectboard policy and administrative regulations.

Disposition of Property Acquired with Federal Funds -

When the town determines that real property, including land, land improvements structures and accessories thereto, acquired under a federal award is no longer needed for the originally authorized purpose, the town must obtain disposition instructions from the federal awarding agency or pass-through entity administering the program, in accordance with applicable law and regulations. (2 CFR Sec. 200.311)

When the town determines that equipment or supplies acquired under a federal award are no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Selectboard will contact the federal awarding agency or pass-through entity administering the program to obtain disposition instructions, based on the fair market value of the equipment or supplies.

Generally, items with a fair market value of \$5,000 or less that are no longer effective may be retained, sold, purged, or transferred to the town. For items with a fair market value greater than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If the town will be replacing the equipment or supplies, the town may use the existing equipment or supplies as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

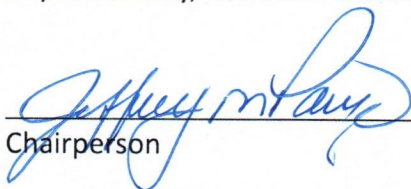
The Selectboard will be responsible for contacting the federal awarding agency and determining the process for disposition of equipment or supplies.

The town may use the following methods in disposing of unnecessary equipment or supplies acquired with federal funds:

- Public auction and/or online sale - generally conducted by a licensed auctioneer.
- Salvage - scrap sold to local dealers.
- Negotiated sale - normally used when disposing of items of substantial value.
- Sealed bid - normally used for items of substantial value or unique qualities.
- Pre-priced sale - large quantities of obsolete or surplus equipment or supplies may be sold by this method.
- Donation to charitable organizations, for equipment or supplies with little to no value.
- Disposition to trash for equipment or supplies with no value.

The Town Treasurer will be responsible for maintaining records of obsolete and surplus property disposed of, and will report to the federal awarding agency when required.

The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.


Chairperson

Selectboard Members:

Ellen Howrigan
Jani

Grant Subrecipient Monitoring Procedures – Federal Programs

In the event the town disperses federal funds received through a federal award to other entities and assigns responsibilities to the outside entity to conduct a portion of the work, the town shall be responsible for determining, on a case-by-case basis, whether the agreement with such entity places the outside entity in the role of a subrecipient receiving a subaward of federal funding, or the role of a contractor.

If the town grants subawards of federal funding to other entities as subrecipients, the town shall be responsible for:

1. Evaluating the entity for risk of noncompliance to determine appropriate monitoring practices.
2. Monitoring the subrecipient entity's implementation to ensure compliance with federal, state and local laws, conditions of the federal funding award, and Selectboard policy and procedures.
3. Notifying the subrecipient entity of identified deficiencies found during the monitoring process and ensuring that identified deficiencies are corrected.
4. Documenting and retaining records on subrecipient identification, notification, evaluation, monitoring and corrective actions taken.

Definitions

For purposes of policies and procedures related to federal programs, the following definitions shall apply:

Contract - a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term as used here does not include a legal instrument, even if the entity considers it a contract, when the substance of the transaction meets the definition of a federal program award or subaward. (2 CFR 200.22)

Contractor - an entity that receives a contract, as defined in law and regulations, by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. (2 CFR 200.23)

Pass-through entity - a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The town serves as the pass-through entity in cases where it awards federal funding to a subrecipient as defined in this procedure. (2 CFR 200.74)

Subaward – an award provided by a pass-through entity to a subrecipient in order to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward

may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. (2 CFR 200.92)

Subrecipient - a non-federal entity that receives a subaward to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. (A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.) (2 CFR 200.93)

Subrecipient Versus Contractor

The town must determine, on a case-by-case basis, whether an entity receiving funds from the town as part of a federal funding program serves in a role of subrecipient or contractor. (2 CFR 200.330)

The Selectboard shall be responsible for analyzing the criteria listed in the chart below and evaluating the relationship with the entity based on the substance of the legal agreement, rather than the form of the agreement. The Selectboard may consult with the solicitor or other qualified counsel in making such determination.

Subrecipient

Creates a Federal assistance relationship

Determines who is eligible to receive what
Federal assistance

Has its performance measured in relation
to whether objectives of a Federal
program were met

Has responsibility for programmatic decision making

Is responsible for adherence to applicable Federal
program requirements specified in the Federal award;
and

In accordance with its agreement, uses the
Federal funds to carry out a program for a public
purpose specified in authorizing statute, as opposed
to providing goods or services for the benefit
of the pass-through entity (PTE)

Contractor

Purpose is to obtain goods and services for
the non-Federal entity's own use and creates a
procurement relationship

Provides the goods and services within normal
business operations

Provides similar goods or services
to many different purchasers

Normally operates in a competitive
environment

Provides goods or services that
are ancillary to the operation of the
Federal program; and

Is not subject to compliance requirements
of the Federal program as a result of the
agreement, though similar requirements
may apply for other reasons

The town shall notify subrecipients that they have been identified as a subrecipient and that the funding qualifies as a subaward. The town shall provide the subrecipient with the following information as specified at 2 CFR Sec. 200.331(a) regarding the federal funding award, and any subsequent changes:

1) Federal Award Identification information, including:

- (i) Subrecipient name (which must match the name associated with its unique entity identifier);
- (ii) Subrecipient's unique entity identifier;
- (iii) Federal Award Identification Number (FAIN);
- (iv) Federal Award Date (see §200.39 federal award date) of award to the recipient by the federal agency;
- (v) Subaward Period of Performance Start and End Date;
- (vi) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- (vii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation;
- (viii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- (x) Name of federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
- (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement;
- (xii) Identification of whether the award is R&D; and
- (xiii) Indirect cost rate for the federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

2) All requirements imposed by the pass-through entity on the subrecipient so that the federal

award is used in accordance with federal statutes, regulations and the terms and conditions of the federal award;

3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports;

4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);

5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and

6) Appropriate terms and conditions concerning closeout of the subaward.

Evaluation of Risk

The town shall evaluate each subrecipient's risk of noncompliance with law, regulations and the terms and conditions of the subaward to determine appropriate monitoring practices. (2 CFR 200.331) The Selectboard or designee shall be responsible for evaluating risk based on the following factors:

1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits, including whether the subrecipient receives a single audit and the extent to which the same or similar subaward has been audited;
3. Whether the subrecipient has new personnel, or new or substantially changed systems and processes;
4. The extent and results of any federal award agency's monitoring of the subrecipient.

The Selectboard or designee shall request adequate documentation from the subrecipient to conduct the evaluation of risk; such documentation may include, but shall not be limited to,

- audit reports
- financial reports
- policies and procedures
- detailed descriptions or users' guides of current systems and processes.

The town shall evaluate subrecipients for risk of noncompliance as specified in the legal agreement or contract.

Based on the results of the risk evaluation, the town may consider imposing specific conditions on implementation of the subaward, in accordance with applicable law and regulations. (2 CFR 200.207, 200.331)

Monitoring

The town shall monitor the implementation and activities of each subrecipient as necessary to ensure that the subaward is used for authorized purposes, in accordance with law, regulations and the terms and conditions of the subaward. The town shall notify subrecipients of monitoring requirements, and may provide technical assistance to subrecipients in complying with monitoring requirements.

As part of the monitoring process, the town shall complete the following steps: (2 CFR 200.331)

1. Review financial and performance reports required by the town.
2. Follow-up and ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the subaward detected during monitoring through audits, on-site reviews and other means.
3. Issue a management decision for audit findings pertaining to the subaward provided to the subrecipient, in accordance with applicable law and regulations. (2 CFR 200.521)

Monitoring -

The Selectboard or designee shall be responsible for monitoring of subrecipients. Monitoring activities may include, but shall not be limited to:

1. Review of progress reports, financial reports and data quality.
2. On-site visits.
3. Review of federal or state debarment lists.
4. Review of other agreed-upon procedures specified in the legal agreement or contract. (2 CFR 200.425)

The town shall verify that subrecipients are audited as required by applicable law and regulations. (2 CFR 200.331, 2 CFR 200.500-200.521, Pol. 619)

Follow-Up Actions -

The Selectboard or designee shall provide subrecipients with written documentation detailing their monitoring results and listing any identified deficiencies. The town shall consider whether the results of monitoring indicate the need to revise existing town policy and procedures. (2 CFR 200.331)

The town shall require subrecipients to take immediate action on issues involving ineligible or illegal use of federal funding, and notify the town of corrective action taken.

The town shall require subrecipients to develop a corrective action plan to address other identified deficiencies or noncompliance issues; such plan shall be submitted to the town as soon as possible, and the town shall evaluate and monitor the activities taken by the subrecipient under the corrective action plan. The town may provide technical assistance and/or training to subrecipients in complying with corrective action requirements.

The Selectboard or designee shall maintain all documentation on monitoring of subrecipients and corrective action taken during the monitoring process.

The town shall report issues of noncompliance to the appropriate federal agency where required by law, regulations, or requirements of the federal funding program.

Remedies for Noncompliance -

When monitoring activities identify issues of noncompliance that are not addressed through corrective action, the town may take the following actions: (2 CFR 200.331, 200.338)

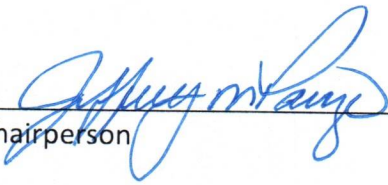
1. Impose specific conditions on the subrecipient, in accordance with applicable law and regulations. (2 CFR 200,207)
2. Temporarily withhold cash payments, in accordance with applicable law and regulations.
3. Disallow or deny use of funds for all or part of the cost of the activity or action not in compliance.
4. Wholly or partially suspend or terminate the agreement for the federal award.
5. Recommend that the federal agency initiate suspension and debarment proceedings.
6. Withhold further awards or agreements for the project or program.
7. Take other remedies legally available, in consultation with the school solicitor or other qualified counsel.

Record Retention

The Town Treasurer shall ensure that all documentation regarding subrecipient identification, notification, evaluation, monitoring activities and corrective action is maintained in accordance with Selectboard policy and procedures.

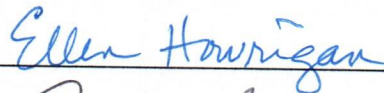
Records shall be retained in accordance with applicable law, regulations, specific requirements of the federal program and the town's records retention schedule. (2 CFR 200.333-200.337)
Sample Policies/Procedures Revised

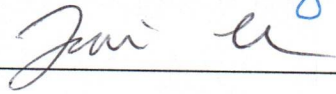
The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.



Chairperson

Selectboard Members:





Conflict of Interest Policy
For the Town of Grand Isle
April 17, 2023

Article 1. Authority. Under the authority granted in 24 V.S.A. § 2291(20), the Town of Grand Isle hereby adopts the following policy concerning conflicts of interest.

Article 2. Purpose. The purpose of this policy is to ensure that the business of this municipality will be conducted in such a way that no public officer of the municipality will gain a personal or financial advantage from his or her work for the municipality and so that the public trust in its officers will be preserved. It is also the intent of this policy to ensure that all decisions made by public officers are based on the best interests of the municipality.

Article 3. Application. This policy applies to all individuals elected or statutorily-appointed to perform executive, administrative, legislative, or quasi-judicial functions of the Town of Grand Isle.

Article 4. Definitions. For the purposes of this policy, the following definitions shall apply:

A. **Conflict of interest** means any of the following:

1. A real or seeming incompatibility between a public officer's private interests and his or her public or fiduciary interests to the municipality he or she serves. A conflict of interest arises when there is a direct or indirect personal or financial interest of a public officer or a person or group closely tied with the officer including his or her spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, brother- or sister-in-law, business associate, or employer or employee in the outcome of an official act or action, or any other matter pending before the officer or before the public body in which the public officer holds office. A conflict of interest may take any of the four following forms:
 - a. A direct financial conflict of interest arises when a public officer acts on a matter that has a direct financial impact on that officer.
 - b. An indirect financial conflict of interest arises when a public officer acts on a matter that has a financial impact on a person or group closely tied to the officer.
 - c. A direct personal conflict of interest arises when a public officer acts on a matter that has a direct impact on the officer in a non-financial way but is of significant importance to the officer.
 - d. An indirect personal conflict of interest arises when a public officer acts on a matter in which the officer's judgment may be affected because of a familial or personal relationship or membership in some organization and a desire to help that person or organization further its own interests.

2. A situation where a public officer has publicly displayed a prejudgment of the merits of a particular quasi-judicial proceeding. This shall not apply to a member's particular political views or general opinion on a given issue.
3. A situation where a public officer has not disclosed ex parte communication(s) related to a quasi-judicial proceeding that is before the body to which that officer belongs.

A "conflict of interest" does not arise in the case of an official act or action in which the public officer has a personal or financial interest in the outcome, such as in the establishment of a tax rate, that is no greater than that of other persons generally affected by the decision.

- B. **Emergency** means an imminent threat or peril to the public health, safety, or welfare.
- C. **Ex Parte Communication** means direct or indirect communication between a member of a public body and any party, party's representative, party's counsel or any person interested in the outcome of a quasi-judicial proceeding, that occurs outside the proceeding and concerns the substance or merits of the proceeding.
- D. **Official act or action** means any legislative, administrative or quasi-judicial act performed by any public officer while acting on behalf of the municipality. This term does not apply to ministerial acts or actions wherein no discretionary judgment is exercised.
- E. **Public body** means any board, council, commission, or committee of the municipality.
- F. **Public interest** means an interest of the municipality, conferred generally upon all residents of the municipality.
- G. **Public officer** means a person elected or statutorily-appointed to perform executive, administrative, legislative, or quasi-judicial functions for the municipality. This term does not include municipal employees.
- H. **Quasi-judicial proceeding** means a case in which the legal rights of one or more persons who are granted party status are adjudicated, which is conducted in such a way that all parties have opportunities to present evidence and to cross-examine witnesses presented by other parties, and which results in a written decision, the result of which is appealable by a party to a higher authority.

Article 5. Prohibited Conduct.

- A. A public officer shall not participate in any official act or action if he or she has a conflict of interest, whether real or perceived, in the matter under consideration.
- B. A public officer shall not personally – or through any member of his or her household, business associate, employer or employee – represent, appear for, or negotiate in a private capacity on behalf of any person or organization that has an interest in an official act or action pending before the public body in which the public officer holds office.

- C. A public officer shall not accept gifts or other offerings for personal gain by virtue of his or her public office that are not available to the public in general.
- D. A public officer will not request or accept any reward, gift, or favor for taking an official act or action or advocating for or against an official act or action.
- E. A public officer shall not use resources unavailable to the general public – including but not limited to municipal staff time, equipment, supplies, or facilities – for private gain or personal purposes.
- F. A public officer who is a member of a public body shall not give the impression that he or she has the authority to make decisions or take actions on behalf of that body.

Article 6. Disclosure. A public officer who, while serving on a public body, may have a conflict of interest, whether real or perceived, in a matter under consideration by that public body shall, prior to taking an official act or action or participating in any official act or action on the matter, publicly disclose at a public meeting or public hearing that he or she has an actual or perceived conflict of interest in the matter under consideration and disclose the nature of the actual or perceived conflict of interest. Alternatively, a public officer may request that another public officer recuse him or herself from a matter due to a conflict of interest, whether real or perceived.²

Article 7. Consideration of Recusal. Once there has been a disclosure of an actual or perceived conflict of interest, other public officers shall be afforded an opportunity to ask questions or make comments about the situation. If a previously unknown conflict is discovered during a meeting or hearing conducted by a public body of the municipality, the public body shall take evidence pertaining to the conflict and, if appropriate, adjourn to an executive session to address the conflict.

Article 8. Recusal.

- A. **Recusal of Appointed and Elected Officers.** After taking the actions listed in Articles 6 and 7, a public officer, whether appointed or elected, shall declare whether he or she will recuse him or herself and explain the basis for that decision. If the public officer has an actual or perceived conflict of interest but believes that he or she is able to act fairly, objectively, and in the public interest, in spite of the conflict, he or she shall state why he or she believes that he or she is able to act in the matter fairly, objectively, and in the public interest.³ Otherwise, the public officer shall recuse him or herself from the matter under consideration. A public officer that recuses him or herself may, but not must, explain the basis for that decision.

² Such request shall not be considered an order for the officer to recuse him or herself.

³ Each member of an elected public body is independently elected and answers only to the voters. Therefore, unless there is a local ordinance or charter provision that states otherwise, the remaining members of the body may not force recusal. They may only express their opinion about the subject and/or privately or publicly admonish a fellow member who fails to handle conflicts appropriately.

- B. **Recusal of Appointed Officers.** The failure of an appointed public officer to recuse himself or herself in spite of a conflict of interest, whether real or perceived, may be grounds for discipline or removal from office.⁴

Article 9. Recording. The minutes of the meeting or the written decision / minutes from the meeting / hearing shall document the actions taken in Articles 6 through 8.

Article 10. Post-Recusal Procedure.

- A. A public officer who has recused himself or herself from participating in an official act or action by a public body shall not sit with the public body, deliberate with the public body, or participate in the discussions about that official act or action in any manner in his or her capacity as a public officer, though such member may still participate as a member of the public or private party, if applicable.
- B. The public body may adjourn the proceedings to a time, date, and place certain if, after a recusal, it may not be possible to take action through the concurrence of a majority of the total membership of the public body. The public body may then resume the proceeding with sufficient members present.

Article 11. Enforcement.

- A. **Enforcement Against Elected Officers; Consequences for Failure to Follow the Conflict of Interest Procedures.** In cases in which an elected public officer has engaged in any of the prohibited conduct listed in Article 5, or has not followed the conflict of interest procedures in Articles 6 through 10, the Town of Grand Isle Select Board may, in its discretion, take any of the following disciplinary actions against such elected officer as it deems appropriate:
1. The chair of the Town of Grand Isle Select Board may meet informally with the public officer to discuss the possible conflict of interest violation. This shall not take place in situations where the chair and the public officer together constitute a quorum of a public body.
 2. The Town of Grand Isle Select Board may meet to discuss the conduct of the public officer. Executive session may be used for such discussion in accordance with 1 V.S.A. § 313(a)(4). The public officer may request that this meeting occur in public. If appropriate, the Town of Grand Isle Select Board may admonish the offending public officer in private.
 3. The Town of Grand Isle Select Board may admonish the offending public officer at an open meeting and reflect this action in the minutes of the meeting. The public officer shall be given the opportunity to respond to the admonishment.
 4. Upon majority vote in an open meeting, the Town of Grand Isle Select Board may request (but not order) that the offending public officer resign from his or her office.

⁴ Certain appointed public officers such as a Zoning Administrator and members of the Zoning Board of Adjustment or Development Review Board may only be removed for cause and after being afforded with procedural due process protections including notice and a reasonable opportunity to be heard.

B. Enforcement Against Appointed Officers. The Town of Grand Isle Select Board may choose to follow any of the steps articulated in Article 11A. In addition to or in lieu of any of those steps, the Town of Grand Isle Select Board may choose to remove an appointed officer from office, subject to state law.

Article 12. Exception. The recusal provisions of Article 8 shall not apply if the Town of Grand Isle Select Board determines that an emergency exists or that actions of a quasi-judicial public body otherwise could not take place. In such a case, a public officer who has reason to believe he or she has a conflict of interest shall only be required to disclose such conflict as provided in Article 6.

Article 13. Effective Date. This policy shall become effective immediately upon its adoption by the Town of Grand Isle Select Board.

Town of Grand Isle Records Management Policy & Procedure

1. Purpose

All Vermont public bodies are responsible for creating, managing, and disposing of records in accordance with State and Federal laws and regulations governing recordkeeping and record retention. This policy intends to ensure that all Grand Isle employees, officials and representatives conform to applicable laws and regulations regarding the management and disposition of the Town of Grand Isle (Town's) records.

2. Scope

All Town records are public records as defined by 1 VSA §317 as, "...any written or recorded information, regardless of physical form or characteristics, which is produced or acquired in the course of public agency business."

3. Policy Statement

It is the Town's policy to comply with 1 VSA Chapter 5, Subchapter 3 (referred to as "Vermont's Public Records Laws"). All written or recorded information, regardless of physical form or characteristics, produced or acquired in the course of business shall be managed in accordance with record schedules approved by the State Archivist.

4. Relevant Laws, Regulations, Standards, and Procedures:

1. 1 VSA §315-320: Access to Public Records, including 1 VSA §317a: Disposition of Public Records
2. 3 VSA §218: Agency/Department Records Management Program
3. 3 VSA §117: Vermont State Archives and Records Administration
4. Archives and Records Management Handbook issued by VSARA

5. General Requirements

The Town takes reasonable precautions to keep its records authentic and reliable. Selectboard members and staff strive to ensure that records are safe from alteration, damage, and theft by implementing best practices and State records management standards.

All records must be retained in the legal custody of the Town until retention requirements established by VSARA record schedule have been met. Under no circumstances shall a Town representative or staff, "...destroy, give away, sell, discard, or damage any record or records in his or her charge, unless specifically authorized by law or under a record schedule approved by the state archivist pursuant to 3 VSA §117(a)(5)."

Unless transferred into the State Archives according to a record schedule, the Town maintains legal custody of its records, regardless of format and physical location. The Town's records shall be accessible and retrievable in a timely manner for Town representatives and staff, other government employees, and the public. Decisions to deny or allow access to any records ultimately reside with the Selectboard and the Town Clerk and Town Treasurer. If a record is exempt from public access, procedures set forth in 1 VSA §315-320 shall be followed.

If the Town is served with a discovery request for records, or any representative of Grand Isle or staff becomes aware of pending litigation, investigation, claim, negotiation, audit, or other extenuating circumstance, the Town representative or staff shall take necessary steps to immediately suspend destruction of any related records and data.

6. Record Retention Requirements

All Town representatives and staff must follow directives listed in the schedules below. For reference purposes, see General Records Schedules as published on VSARA's website at: <http://vermontarchives.org/records/schedules/general> .

General Records Schedules (GRS)

- Accounting Records (GRS-1000.1002). Approved January 2011.
- Administrative Policy Records (GRS-1000.1102). Approved March 2009.
- Appointment Records (GRS-1493.1004). Approved April 2012.
- Audit Records (GRS-1000.1007). Approved January 2012.
- Budget Records (GRS-1000.1012). Approved April 2012.
- Contracting Files (GRS-1000.1126). Approved March 2009.
- Enforcement Records (GRS-1000.1033). Approved November 2013.
- Grants Management Records (GRS-1000.1110). Approved February 2011.
- Investigation Records (GRS-1000.1100). Approved October 2012.
- Land Use and Related Permits (GRS-1482.1104). December 2011.
- Marketing Records (GRS-1000.1062). Approved December 2011.
- Monitoring Records (GRS-1000.1063). Approved April 2012.
- Operational/ Managerial Records (GRS-1000.1103). Approved March 2009.
- Payroll Management Records (GRS-1009.1103). Approved May 2010.
- Personnel Files (GRS-1304-1103). Approved June 2012.
- Transitory Records (GRS-1000.1000). Approved December 2010.
- GRS for Public Utilities (March 2011-does not yet include all utilities.)

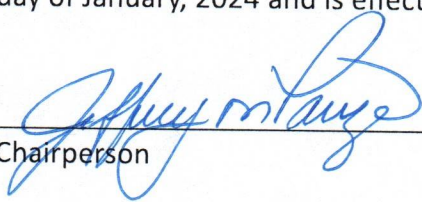
7. Severability

This policy and its various parts are severable. If any part is adjudged invalid, the remainder of this policy shall not be affected thereby.

8. Amendments

This policy may be amended by a majority vote of the total membership of the Grand Isle Selectboard

The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.


Chairperson

Selectboard Members:

Ellen Hounigan
Jeri A