

# **Shelby County Policies & Procedures Applicable to Federal Awards**

*as required by 2 CFR 200*



Adopted: November 13, 2024

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## **I. CASH MANAGEMENT FOR FEDERAL FUNDS**

The Shelby County Commission will minimize the time between the receipt of federal funds or other pass-through entities, and the disbursement of those funds. Federal funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed, such as monthly program salaries and benefits. Disbursements will be made within thirty calendar days after receipt of funds.

The County will request funds via the federal funding agency's designed financial platform(s) based on the federal program frequency requirements, and the actual expenditure rate (i.e., ASAP, IDIS, Treasury, etc.).

The County will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. Cash balances for each federal program funds and for the aggregate of all federal program funds will be monitored.

County procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds will not be maintained in an interest-bearing bank account if the County determines that banking requirements for minimum or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits in the SAFE program (Title 41, Chapter14A, Code of Alabama 1975).

*Reference: 2 CFR § 200.305 and 2 CFR § 200.302(b)(6).*

## **II. DETERMINATION OF ALLOWABLE COSTS**

Before instituting a financial transaction that will require the expenditure of federal funds, the County will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- A. The proposed expenditure is included in the federal program budget;
- B. The proposed expenditure is reasonable and necessary for the federal program;
- C. The proposed expenditure is consistent with procedures for financial transactions of the County including:
  - 1. Purchase order approval procedures;
  - 2. Contract review and approval procedures;
  - 3. Applicable competitive purchasing procedures and;
  - 4. Documentation supports allow ability of transaction.

Before payments are made from federal funds, the County will determine that the federal program expenditure complies with generally accepted accounting principles (GAAP) and complies with state, local, and federal laws, rules, and regulations.

*Reference: 2 CFR § 200.300 -2 CFR §200.309 & Subpart E (Cost Principals)*

### **III. CONTRACTOR or SUBRECIPIENT DETERMINATION**

The County will make a judgment as to whether any agreement it makes, for the disbursement of federal program funds, assigns the entity receiving the funds in the role of a subrecipient or a contractor. Based on 2 CFR Chapter I, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB) on December 26, 2013, and effective for non-federal entities on December 26, 2014, the following information will be used to make the determination.

**Recipient:** A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term recipient does not include subrecipients. (See 2 CFR 200.86 of the Uniform Guidance) A recipient may conduct part or all of the federal program activities OR pass-through part or all of the federal activities to a subrecipient.

**Subrecipient:** A non-federal entity that receives a subaward through the recipient, for the purpose of carrying out part or all of a federal award. The subaward creates a federal assistance relationship between the recipient and the subrecipient. (See 2 CFR 200.93 & 200.330 (a) of the Uniform Guidance.)

**Contractor:** A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding recipient's own use. The contract creates a procurement relationship between the recipient and the contractor. The Uniform Guidance replaced the term "Vendor" with "Contractor." (See 2 CFR 200.22 & 200.330 (b) of the Uniform Guidance.)

All subrecipients must have an adequate accounting system that will: 1. Identify receipt and expenditure of grant funds; 2. Maintain adequate documentation of backup receipts and expenditures; 3. Provide accurate and current financial reporting information; 4. Maintain an adequate system of internal controls to safeguard assets and cash management; 5. Record and report on the receipts, obligations and expenditures of grant funds.

The County will enter into a subaward with a subrecipient to carry out part of a federal award; and/or enter into a contract with a contractor who purchases goods or services needed for the project, based on the characteristics in 2 CFR 200.330.

The County will monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward.

### **IV. TRAVEL POLICY**

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by county employees who are in travel status on official business of the County. The County's travel policy provides for reimbursement and payments for travel costs of employees paid from federal funds that is consistent with the travel costs for county employees paid from state or local funds. Subrecipients of grant funds will follow their established travel policies or the county's travel policy, whichever is determined more appropriate based on the approved grant budget and grant scope of work; and will be included in the sub-award agreement.

**SHELBY COUNTY TRAVEL EXPENSE POLICY**

**Shelby County Commission**

**Effective April 22, 1991**

**Revised June 14, 2004**

**Revised October 8, 2007**

**Revised September 9, 2024**

**PURPOSE**

To establish policies and procedures governing in-county and out-of-county travel.

**GENERAL POLICY**

The Shelby County Commission hereby states that the expenses incurred by County officials and or County employees shall be strictly governed by the following travel expense reimbursement rates and procedures.

In-county travel must be required and approved by the employee's appropriate supervisor. All expenses incurred must be in compliance with the department's budgetary constraints. In-county travel expenses incurred due to the performance of required job duties shall be limited to the following reimbursement schedule.

**IN-COUNTY (REIMBURSEMENT)**

Direct mileage reimbursement from the employee's base (Miles driven in personal vehicle x mileage reimbursement rate).

Direct meal expense reimbursement (receipt required) for a required working luncheon, conference, and or meeting that is required due to the performance of an official/employee's job duties. Prior approval must be granted by the appropriate supervisor. The above in-county travel expense will be reimbursed by the County subject to the completion and submittance of the appropriate travel expense vouchers and required receipts. In-county expenses are reimbursed on an actual cost basis.

**OUT-OF-COUNTY (REIMBURSEMENT)**

All out-of-county travel must be pre-approved by the appropriate department head and supported by the adopted budgets approved by the Shelby County Commission. The out-of-county travel requests must be submitted at least thirty (30) days before the expected departure. This travel request must include the following information;

- Travel expense
- Mode of travel, lodging, etc.
- Number of officials/employees attending
- Official copy of itinerary or seminar schedule,
- Overview of the subject matter to be discussed at conference, seminar, etc.

**TRANSPORTATION:**

The method of travel selected shall result in the greatest economics of travel costs and travel time. The use of tourist and discount fares is encouraged in all cases. Transportation costs are reimbursable on an actual cost basis and include:

Common carrier	(Receipts required)
Rental Vehicle	(Receipts required)
Parking and Tolls	(Receipts required)
Personal Auto	Mileage reimbursed at rate adopted by the Internal Revenue Service (IRS) and updated as amended by the IRS.
County Vehicle	(Receipts required)

**LODGING:**

Lodging cost, including applicable taxes, shall be reimbursed on an actual cost basis and must be supported by a receipt.

**MEALS AND INCIDENTAL EXPENSES:**

A per diem rate per twenty-four (24) hour period is established as reimbursement for meals and incidental expenses associated with official travel that requires lodging (no receipt required).

The amount payable for per diem and mileage reimbursements shall be a standard rate developed and set each year by the Internal Revenue Service (IRS) in conjunction with the U.S General Service Administration (GSA) (Resolution 07-10-08-07). Changes in rate(s) shall be communicated by the County Manager.

Official travel that does not require overnight travel and lodging shall be reimbursed on an actual cost basis (receipts required). Incidental expenses include personal telephone charges, metered parking, gratuities, etc.

In some instances, the per diem rate per day (official travel requiring overnight travel and lodging) may not cover the meals and other incidental items. In situations such as these, expenses shall be reimbursed on an actual cost basis and must be supported by receipts.

**REGISTRATION FEES:**

Registration fees for conferences, seminars, etc. shall be reimbursed on an actual cost basis and must be supported by a receipt or a copy of the registration form. A copy of the conference itinerary or schedule must be submitted to Commission Accounting.

**PROCEDURE:**

Instances where registration fees and travel arrangements are made in excess of thirty (30) days prior to the travel date, Commission Accounting is authorized to make direct payment to applicable vendors for registration fees, hotel reservations, etc. Within thirty (30) days of an employee return from out of county travel, the employee must submit a final accounting of travel expenses to the County Commission.

## V. PROCUREMENT POLICY

As used herein, the term "procurement" means the purchase of services, and the purchase or lease of goods, by the expenditure or anticipated expenditure of federal or state grant funds. "Grant funds," "grant monies," or "federal awards" mean funds received through federal and state grants, whether those funds come directly from a federal or state agency or from a pass-through entity.

This policy applies to all contracts, purchase orders and expenditures of federal awards for the procurement of labor, goods and services. Its purpose is to establish efficient and economical procurement procedures.

The applicable law for this policy includes the federal procurement standards set out at 2 CFR § 200.318 through § 200.326; the state competitive bid law applicable to the purchase or lease of goods and services found at § 40-16-50, et seq., Code of Alabama (1975), as amended; and the state competitive bid law applicable to construction and improvement of public works found at Ala. Code § 39-2-1, et seq. Code of Alabama (1975), as amended, are applicable to procurements hereunder. The Alabama Ethics Law found at § 36-25-1, et seq., Code of Alabama (1975), as amended, including its conflict-of-interest provisions, is applicable to county officials and employees. **To the extent of conflict between the requirements of this policy and federal or state requirements, the stricter of the two shall apply.** Individual federal awards may contain further requirements unique to those federal awards and in addition to the requirements of this policy.

### A. CONFLICT OF INTEREST POLICY

Generally, a conflict of interest exists when a county official or county employee participates in a matter that is likely to have a direct effect on his or her personal and financial interests. A financial interest may include, but is not limited to, stock ownership, partnership, trustee relationship, employment, potential employment, or a business relationship with an applicant, vendor, or entity. A county official or county employee may not participate in his or her official capacity in a matter that is likely to have direct and predictable effects on his or her financial interests.

Each county official or county employee will abide by the Federal and state laws and regulations that address conflict of interest standards. In general, the Federal rules provide that:

*No employee, officer, or agent of the board shall participate in selection, or in the award or administration of a contract supported by Federal funds if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from the firm considered for a contract. The board's officers, employees, or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts.*

The county's conflict of interest policies include adherence to the Alabama Ethics Law, which defines conflict of interest as:

*A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.*

A county official or county employee may not review applications, proposals, or participate in the evaluation or selection process where his or her participation in the review process would create the appearance that he or she is: (a) giving preferential treatment; (b) losing independence and impartiality; (c) making decisions outside official and appropriate channels; or (d) harming the public's confidence in the integrity of the county.

Situations and circumstances presenting an actual conflict or the appearance of a conflict should be brought to the immediate attention of the County Manager. A county official or county employee who has knowledge of a possible conflict of interest should identify the conflict and notify the County Manager. The County Manager will document his or her actions related to the reported conflict of interest. Resolution can consist of disqualification, recusal, waiver, or other appropriate measures. Appropriate measures may include reporting a conflict of interest to the Alabama Ethics Commission, the Alabama Attorney General, or the appropriate federal agency.

*Reference: 2 CFR §200.112, Ala. Code Section 36-25-1 et seq.*

## **B. GENERAL PROCUREMENT STANDARDS**

1. Shelby County will comply with the procurement procedures found in Ala. Code §41-16-50 et seq. and Ala. Code §39-2-1 et seq.
2. Oversight must be maintained to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
3. The acquisition of unnecessary or duplicative items must be avoided. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis must be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
4. Entry into state and local intergovernmental agreements or inter-entity agreements, where appropriate, for procurement or use of common or shared goods and services is encouraged.
5. Use of federal excess and surplus property in lieu of purchasing new equipment and property when such use is feasible and will reduce project costs is encouraged.
6. Use of value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions is encouraged. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

7. Contracts shall be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, suspension or debarment, and financial and technical resources.

8. Records must be maintained sufficient to detail the history of each procurement. Such records are to include, but not necessarily be limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

9. A time and materials type contract may be used only after a determination that no other contract is suitable. The contract must include a ceiling price that the contractor exceeds at its own risk. A high degree of oversight must be asserted in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Time and materials type contract means a contract whose cost to the County is the sum of:

- a. The actual cost of materials; and
- b. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

10. The County alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the County of any contractual responsibilities under its contracts.

*Reference: 2 CFR § 200.318.*

## **C. COMPETITION**

1. All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards set out in 2 CFR § 200.317 - 200.326. Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Situations considered to be restrictive of competition include, but are not limited to:

- a. Placing unreasonable requirements on firms in order for them to qualify to do business;
- b. Requiring unnecessary experience and excessive bonding;
- c. Noncompetitive pricing practices between firms or between affiliated companies;
- d. Noncompetitive contracts to consultants that are on retainer contracts;
- e. Organizational conflicts of interest;

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- f. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
  - g. Any arbitrary action in the procurement process.
2. Procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
3. All solicitations must:
  - a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met must be clearly stated; and
  - b. Identify all requirements which must be fulfilled and all other factors to be used in evaluating bids or proposals.
4. Prequalified lists of persons, firms, or products which are used in acquiring goods and services must be current and include sufficient qualified sources to ensure maximum open and free competition. Potential bidders may not be precluded from qualifying during the solicitation period.

*Reference: 2 CFR § 200.319*

## **D. METHODS OF PROCUREMENT TO BE FOLLOWED**

The procurement of all labor, materials and services must conform to one of the following methods:

1. Procurement by micro-purchases: Procurement of materials, supplies, or services, the aggregate dollar amount of which does not exceed \$10,000.00 (this threshold is periodically adjusted for inflation) may be awarded without soliciting competitive quotes if the price is deemed to be reasonable. To the extent practicable, such awards must be distributed equitably among qualified suppliers.

2. Procurement by small purchase procedures: Procurement involving materials, supplies, or services with an aggregate cost which is more than \$10,000.00 but less than \$30,000 (or that amount set out in Section 41-16-50(a), Code of Alabama (1975), as amended, as the same may be amended from time to time), price or rate quotations will be obtained, whenever possible, from not less than three (3) vendors. Quotations may be secured via fax, email, telephone or otherwise. All solicitation efforts and quotations must be documented in the file.

3. Procurement by sealed bids (formal advertising): Procurement involving materials, supplies, or services with an aggregate cost which is more than \$30,000, or that amount set out in Section 41-16-50(a), Code of Alabama (1975), as amended, as the same may be amended from time to time), shall utilize a bid process which bids are publicly solicited for a firm fixed price contract (lump sum or unit price) and are awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

a. In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

b. If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;

(ii) Invitations for bids must be publicly advertised in accordance with state law;

(iii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

- (iv) All bids must be publicly opened at the time and place prescribed in the invitation for bids;
- (v) A firm fixed price contract award must (except where all bids are rejected) be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (vi) Any or all bids may be rejected if there is a sound documented reason.

*Reference: 2 CFR §200.320.*

4. Proposals. This technique is normally used for qualifications-based procurement of architectural/engineering (A/E) professional services or other similar professional services in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. The following requirements apply:

- a. Requests for proposal must be publicized and identify all evaluation factors and their weighted importance;
- b. Proposals must be solicited from an adequate number of qualified sources;
- c. A written method of conducting the technical evaluation of the proposals must be stated within the proposal. The RFP must state what factors the evaluation will be based on and how they are weighted;
- d. Contracts must be awarded to the responsible firm whose qualifications are most advantageous to the program, then considering other factors; and
- e. The offeror's qualifications must be evaluated and the most qualified offeror selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services provided by A/E firms that are a potential source to perform the proposed effort.

*Reference: 2 CFR §200.320.*

5. Public Works Contracts. § 39-1-1, et seq., Ala. Code 1975. Applies to all public works contracts on the state, county, and municipal levels of government within the State of Alabama. § 39-2-1, Ala. Code 1975§39-2-1(6), Ala.Code 1975. "Public work" is defined as "[t]he construction, installation, repair, renovation, or maintenance of public buildings, structures, sewers, waterworks, roads, curbs, gutters, side walls, bridges, docks, underpasses, and viaducts as well as any other improvement to be constructed, installed, repaired, renovated, or maintained on public property and to be paid, in whole or in part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise."

a. Before entering into any contract for a public works involving an amount in excess of one hundred thousand dollars (\$100,000), the awarding authority shall advertise for sealed bids as required by § 39-2-2(a)(2)b(2)k., Ala. Code (1975), as amended, as the same may be amended from time to time).

b. § 39-2-2(b)(1), Ala. Code 1975 An awarding authority may let contracts for public works involving one hundred thousand dollars (\$100,000) or less with or without advertising or sealed bids.

c. § 39-1-1(f)(2)(3), Ala. Code 1975 For contracts \$100,000 or more, the contractor shall give notice of completion of a project by publishing the notice for a minimum of 3 weeks using one or more of the following methods: In a newspaper of general circulation in the county or counties in which the work, or some portion thereof, has been done. On a website that is maintained by a newspaper of general circulation in the county or counties in which the work, or some portion thereof, has been done. On a website utilized by the awarding authority for publishing notices.

## **E. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTITIES, AND LABOR SURPLUS AREA FIRMS**

1. All necessary affirmative steps must be taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
2. Affirmative steps must include:
  - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - b. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
  - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
  - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
  - e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  - f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

*Reference: 2 CFR § 200.321.*

## **F. CONTRACT COST AND PRICE**

1. A cost or price analysis must be performed in connection with every procurement action in excess of the current Simplified Acquisition Threshold including contract modifications. The method and degree of analysis will depend on the facts surrounding the particular procurement situation, but as a starting point, independent estimates must be made before receiving bids or proposals.
2. Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. Consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
3. Costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the County entity under 2 CFR Subpart E-Cost Principles.
4. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

*Reference: 2 CFR § 200.324.*

## **G. BONDING REQUIREMENTS**

The county requires bonds as set out in § 40-16-50, et seq., and § 39-1-1, et seq., Code of Alabama (1975), as amended.

The county has determined that the Federal interest is adequately protected by the state law bonding requirements. The State of Alabama requires bonds applicable to Public Works bids over \$100,000 or greater. A performance bond equal to 100% of the contract price and a payment bond equal to at least 50% of the contract price is required.

*Reference 2 CFR § 200.326.*

## **H. COMPENSATION – PERSONAL SERVICES**

The county requires documentation to accurately reflect the work performed by any employee whose personnel costs are charged to Federal awards. Each such employee shall submit a timesheet that is signed by the employee and his/her supervisor. The employee and supervisor shall certify that the time being charged to the Federal award is accurate, allowable, and properly allocated.

The timesheet shall reasonably reflect the employee's total activity for the pay period, including any activity that is not federally funded. The Federally-funded activity may be reflected as time or percentage of the workday. The timesheet shall in all other respects comply with the county's established accounting practices and procedures.

*Reference 2 CFR § 200.430.*

## **I. COMPENSATION – FRINGE BENEFITS**

Where appropriate, the county may charge the costs of fringe benefits to federal awards provided that such fringe benefits are provided through an established policy of the county. Under no circumstances will the county charge to a federal award automobile costs for automobiles furnished by the county to an employee.

Leave shall be charged only if it is provided pursuant to the county's written leave policy found in the Shelby County Civil Service Act #93-664 effective May 17, 1993 and Revised Act #99-325 effective May 25, 1999 and the costs are equitably allocated to all related activities; and the accounting basis selected for costing each type of leave is consistently followed by the county.

Other fringe benefits in the form of employer contributions or expenses for Social Security; employee life, health, unemployment, and worker's compensation insurance; pension plan costs; and other similar benefits are allowable only if provided within the county's Fiscal Year budget resolution as approved by the Shelby County Commission; the costs are equitably allocated to all related activities; and the accounting basis selected for costing each type of leave is consistently followed by the county.

*Reference 2 CFR § 200.431.*

## **J. CONTRACT PROVISIONS**

Contracts must contain the applicable provisions described in Appendix II to Part 200-Contract Provisions for non-Federal Entity Contracts Under Federal Awards, to include breach of contract, termination for cause, Equal Employment Opportunity, Davis Bacon Act, Contract Work Hours and Safety Standards Act, Rights to Inventions Made Under a Contract of Agreement, Clean Air Act and the Federal Water Pollution Control Act, Debarment and Suspension, Byrd Anti-Lobbying Amendment, Procurement of Recovered Materials, Prohibition on certain telecommunications and video surveillance services or equipment and Domestic preferences for procurement. Additionally contracts must contain provisions in compliance with Alabama laws, including: Beason-Hammond Alabama Taxpayer and Citizen Protection Act (Act 2011-535, as amended by Act 2012-491) found in § 31-13-1 *et seq.* of the *Code of Alabama*, and Acts 2016-32 and 2023-409 where the contractor certifies that it is not currently engaged in, and will not engage in, any boycott or economic boycott of a person or an entity based in or doing business with a jurisdiction with which the State can enjoy open trade.

County will ensure that all subrecipients have a Unique Entity Identifier (UEI) issued by the System for Award Management (SAM), and will verify the subrecipient has not been debarred, suspended, excluded or ineligible for participation in Federal assistance programs or activities. *2 CFR § 200.180.*

*Reference: 2 CFR § 200.327. Appendix II to Part 200.*

## **K. Equipment Disposition**

The Sub-Recipient shall adhere to the requirements of 2 C.F.R. § 200.313 (Equipment) and also 45 C.F.R. § 75.320 (Supplies) for the use of all equipment and supplies purchased by Sub-Recipient with subaward funding, to include the following:

1. Use all equipment purchased with subaward funding for the project's authorized purposes and in accordance with federal & state laws and procedures;
2. Not encumber or dispose of the property without the written approval of the Federal or State awarding agency. Disposition of any equipment will be made in accordance with instructions provided by the awarding agency;
3. Maintain property records that include a description of the property, a serial number, or other identification number, the source of funding, who holds title, the acquisition date, and cost of the property, the percentage of Federal participation in the project cost, the location, use and condition of the property, and any ultimate disposition data, including the date of disposal and sale price of the property;
4. Physical inventory of the property must be taken and the results reconciled with the property records at least once every two years;
5. Adequate safeguards to protect against loss, damage or theft of the property and investigation of any lost, damaged or stolen property;
6. Develop procedures to ensure program staff forward invoices for equipment purchases of \$500 or more to Sub-Recipient's employee in charge of maintaining records for equipment inventory tracking;
7. Recognize that title to equipment, materials and supplies, including computing devices, will vest in Sub-Recipient upon acquisition, subject to the requirements of 2 C.F.R. § 200.313 and 45 C.F.R. § 75.321 for compensation to the Federal or State awarding agency for residual inventory of unused supplies upon termination or completion of the project or program.

## **VI. RELATION TO OTHER COUNTY POLICIES**

This policy supplements and does not supplant the Shelby County Purchasing Procedures.