**FireSafe Marin Accounting and Procurement Policy**

FireSafe Marin (FSM) shall strive to comply with Federal and State grant regulations

for adequate financial and business management systems requirements.

**Accounting System**

The FSM accounting system shall provide for the following items:

* Identify receipt and expenditure of program funds separately for each grant.
* Provide for recording of expenditures for each grant/ contract by budget cost categories shown in the approved budget.
* Provide for the recording of cost sharing for each grant and ensure documentation is available to support recorded cost sharing.
* Include budgetary controls to red flag and preclude incurring obligations or costs in excess of total funds available for a grant.
* Include budgetary controls to red flag and preclude incurring obligations or costs in excess of total funds available for a budget cost category (e.g. personnel, travel etc.).
* Provide accurate and current financial reporting information.

The firm providing FSM accounting services shall be generally familiar with the existing

regulations and guidelines containing the cost principles and procedures for determination and allowance of costs in connection with federal grants.

The accounting system shall be integrated with an adequate system of internal controls to safeguard the funds and assets covered, check the accuracy and reliability of accounting data, promote operational efficiency and encourage adherence to prescribed management policies. Entries in accounting records should refer to subsidiary records and/or documentation which support the entry and which can be readily located.

FSM shall maintain time distribution records for consultants and volunteers that specifically identify effort charged to a particular grant or cost objective.

**Funds Management**

Separate accounts shall be maintained for federal funds.

**Audit**

FSM shall provide for an audit in compliance with OMB A-33 Single Audit when more than $500,000 in federal funds are expending in a fiscal year.

**Property Standards**

Prior to procuring or accepting property a property management system shall be adopted to providing for maintaining:

1. A description of the equipment.
2. A unique identification number.
3. Source of property, including grant award number if applicable.
4. Where title vests.
5. Acquisition date.
6. Federal share of property cost.
7. Location and condition of property.
8. Acquisition cost.
9. Ultimate disposal information.

A physical inventory and reconciliation of property shall be completed at lease every two years. Adequate controls shall be in place to insure safeguards against loss, damage or theft of the property.

**Procurement Standards**

The following policies and procedures shall be followed when FSM purchases equipment, materials, supplies, property, or services from an outside source.

1. **General Policy**

**No Conflict of Interest**. All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with FSM’s conflict of interest policy. No director, employee, or agent will participate in the selection or acceptance of a contract involving a conflict of interest without the approval of the board. “Conflict of interest” includes situations in which the employee, family member, business partner, or board member has a financial interest in the business or individual selected for the contract.

**No Purchase of Items for Personal Use**. No director, employee, or agent who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.

**No Receipt of Gratuities**. No director, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with FSM.

**No Purchase of Items Not Approved in the Budget**. No director, employee, or agent shall solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the board.

**Avoid Practices that are Restrictive of Competition**. The Board of Directors will not place unreasonable restrictions on competition. These practices include: requiring unnecessary experience, excessive bonding, or unreasonably mandating a specific brand name product.

**Document Cost Analysis**. FSM shall conduct a cost analysis and document the analysis in the procurement files in conjunction with every purchase. The procurement file should include a justification for the lack of competition if competitive bids or offers are not obtained.

**Contract with Winning Bidder**. If a contract is competitively bid, FSM will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms.

**Evaluate Each Contractor**. FSM will evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts.

**B. Acquisition Procedure**

FSM will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. FSM reserves the right to reject any bids or offers, if deemed to be in its best interest.

**Pricing Procedures**. One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving federal funds or involving amounts over $500:

* **Open Market Inquiry.** FSM will inquire in the open market to ensure an advantageous price and quality. The file shall document the inquiries made and offers received.
* **Request for Competitive Quotes.** FSM will request competitive quotes, orally or in writing, from at least three different sources. The file shall document each invitation made and offer received.
* **Formal Proposal Procedure**. FSM will solicit competitive responses through a formal bid procedure. Bids will remain sealed until the time designated in the proposal. All requests for proposals shall contain the phrase “Equal Opportunity Employer.”

**Document Prices**. FSM shall maintain files on all quotations solicited and offers or bids received and any criteria for selection. In all instances in which the lowest bid is not awarded in the contract, justification for the selection must be contained in the file.

**Purchases over $500.** The Board of Directors must approve purchases over $500.

**Two Signatories on Checks**. There must be two approved signatories on all checks for purchases over $500.

**C. Property and Equipment Policy**

When purchasing property (both real estate and equipment), the following procedures must be followed:

**Title in the Name of FSM.** All property purchased belongs to FSM and title vests with FSM.

**Property Inventory**. A list of all property owned by FSM shall be kept showing the type of property, identification number, original cost, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of FSM’s fiscal year.

**Insurance Coverage.** FSM will maintain insurance coverage for all property owned by FSM and maintain documentation of each policy in a safe deposit box.

**D. Additional Policies When Using Federal Funds to Purchase Items**

**Federal Debarment.** Before purchasing goods using federal funds, FSM must review the Federal Government’s General Services Administration’s “List of Parties Excluded from Federal Procurement of Non-Procurement Programs” and document that the bidder is neither debarred or suspended from doing business with the federal government nor delinquent in a debt to the United States as defined in OMB Circular A 1-29.

**Property of Federal Government.** Equipment purchased with federal funds that costs more than $5,000 is generally considered the property of the federal government and must be disposed of through the applicable federal procedure.

**Expanded restrictions on conflicts of interest.** Because specific federal programs, such as the HOME program, require approval from the federal government before engaging in a transaction in which a conflict of interest exists, FSM shall check with the relevant federal agency before engaging in a transaction with a potential conflict of interest.

**Additional Federal Policies**. Because most federal programs require nonprofit organizations to comply with additional provisions for purchases over a certain dollar amount, FSM shall check with the relevant federal agency. Examples of these provisions include: Affirmative Action, Contract Work Hours and Safety Standards, Copeland “Anti-Kickback” provision, Clean Air Act, Davis-Bacon, Federal Water Pollution Control Act, and the Bryd Anti-Lobbying Amendment (ALA).

In addition to existing procurement procedures, FSM shall:

1. Provide an analysis prior to any procurement to avoid unnecessary purchases.
2. Provide an analysis of lease and purchase alternatives.
3. Check the Federal “Excluded Parties List” at https://www.sam.gov for suspended or debarred contractors, prior to award.