



04-20 PROCUREMENT CONSIDERATIONS FOR SPECIALLY FUNDED PROGRAMS

I. OVERVIEW

In addition to the district-wide procurement procedures established for procurement, purchases funded through Specially Funded Programs (SFP's) monies typically require additional oversight or reporting based on the established guidelines from the SFP grant. As a result, purchasers must be knowledgeable of the additional processing steps and considerations that are in place when procuring with SFP funding. These considerations may include, but not be limited to, monitoring of appropriate purchases from SFP budget cost centers, purchasing SFP equipment only after money is received from the grantor agency, budget reporting requirements for grantor oversight and grantee reimbursement, asset tracking and monitoring of equipment purchased by SFP funds, and adhering to the return or disposal of SFP purchased equipment in accordance with the SFP Agreement or grant application guidelines.

Given that the LACCD has many SFP agreements ongoing, it is difficult to establish a set of procedures that encompass every nuance of the multitude of agreements in place. As a result, this procedure attempts to provide an overview of the basic common elements in processing an SFP agreement prior to use of funds for procurement. SFP program directors should carefully read their own specific SFP agreement and be fully knowledgeable of its program terms and conditions, requirements, and limitations on the expenditure of funds for procurement purposes.

II. PROCESS

A. Award of SFP Funds – Prior to setting up an SFP budget for procurement, the SFP program director must receive a written award letter or offer from the granting agency. In lieu of a written award letter, a College President may provide a written letter of notification verifying that the award was made and providing authorization to establish a budget.

B. Establish a Budget Cost Center - Any new SFP program requires a new fund to be established in the procurement database system. The new fund is usually based on a five digit alpha numeric code which is identified as a "Work Breakdown Structure (WBS) Cost Center." The fund code will be assigned to any new grant by the District Accounting Office. The District Accounting Office will only be able to assign the fund code upon receiving the original Budget



Transfer Authorization form and all necessary support documents as identified below:

1. An original Budget Transfer Authorization (BTA) signed by the Vice President of Administration and/or Chief Financial Administrator (CFA);
2. A copy of the award letter, approval notification or verification letter from the College President;
3. A copy of a Request for Contract; and
4. A completed SFP/Fund/WBS Master Data Form

C. Establishing an SFP Agreement – In establishing an SFP Agreement, it is important to consider the processing time needed to issue an agreement and remember to include the various documents that need to be sent to the key budget and contract areas defined.

1. A hard copy Request for Contract (RFC) form must be signed by the Vice President of Administrative Services and/or CFA.
2. An electronic Request for Contract document form must be submitted in the procurement system. Since the agreement is income producing, the "Account Assignment Category" should be identified as "Y" for "Free Good."
3. Ensure the SFP grantor has an identifiable vendor number within the procurement database. If an SFP grantor does not have an existing vendor number, a new vendor can be established by filling out a Vendor Request Form found on the district website.
http://www.laccd.edu/business_services/vendor_docs/create_vendor_form.xls
The form should be electronically sent to the "Procurement Vendor Maintenance" email box for processing.
4. The original Request for Contract form, original award letter or confirmation letter from the College President, a copy of the BTA and original grant instructions, terms and conditions and/or agreement must also be sent to the College Procurement Specialist for review.
5. Once the College Procurement Specialist has reviewed and accepted the packet, they will convert the RFC to a Contract (CO) in the procurement system and assign a contract number. The Procurement Specialist will then report the contract on the board agenda for approval.



6. The College Procurement Specialist will obtain the necessary signatures on the contract and certify the document after Board approval has been received.
 7. The College Procurement Specialist will send certified copies of the contract to the Vice President of Administrative Services and the SFP Program Director.
 8. SFP Program Directors should read and be fully aware of any requirements, conditions or limitations on procurement as set forth by their SFP Agreement or grant applications. Some of the considerations to be aware of are:
 - a) Timelines – Grant vs. District purchasing timelines
 - b) Administrative costs spending restrictions
 - c) Equipment purchase guidelines
 - d) Faculty hiring restrictions
- D. Multi-College Agreements – If a grant agreement involves multiple colleges, these agreements should be handled directly by the District Contracts and Purchasing Section.
- E. Tracking SFP Purchased Equipment – Once furniture, fixtures or equipment are purchased out of SFP funds, SFP program directors should establish a means of tagging these items so that they are generally recognizable from other district-owned assets. A separate log of SFP purchased equipment or assets should be kept by the program. Program directors should be fully aware of the process for transfer or disposal of such items as set forth by the SFP grant terms and conditions. Please review Asset Management Procedures 05-08 for greater detail.