

**373RD MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**July 2, 2025
10:00 a.m.**

Agenda

[Join Webex Meeting](#)

Teleconference Call Number: **1-650-479-3207**
Webex Meeting Number (Access Code): **2865 051 5026**
Meeting Password: **kBVpXs5ji32**

1. Call to Order
2. Approval of Minutes
 - A. Approval of the Minutes from the 372nd Open WebEx Meeting of the Authority held June 4, 2025, in Jefferson City, Missouri
 - B. Approval of the Minutes from the 372nd Closed WebEx Meeting of the Authority held June 4, 2025, in Jefferson City, Missouri
3. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Wilson Industries, LLC Project and Authorizing the Director or Designee to Enter Into an Agreement on Behalf of the Authority
4. Consideration and Approval of FY2026 Authority Budgets
5. Ratification of Revised Policy and Procedures Manual and Conflict of Interest Policy Statement
6. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Upcoming Board Meetings:

AUG	6
SEP	3
OCT	1
NOV	5

DEC 3
C. Other

7. Closed Meeting Pursuant to Section 610.021(11) RSMo.
8. Adjournment of Closed Meeting and Return to Open Meeting
9. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of the specifications for competitive bidding pursuant to Section 610.021(11) RSMo.

Members to be Present:

Nancy Gibler, Chair
Mary Fontana Nichols, Vice Chair
Deron Cherry, Treasurer, Assistant Secretary
Rodney Schad, Secretary

Staff to be Present:

Joe Boland, Executive Director
Mark Pauley, Deputy Director
Hannah Humphrey, Energy Programs Director
Cathy Schulte, Fiscal Manager
Angie Powell, Missouri Market Development Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Executive Board Secretary

**MINUTES OF THE 372ND MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**Webex/In Person Meeting
June 4, 2025
10:00 a.m.**

EIERA MEMBERS: Mary Fontana Nichols, Vice Chair
Deron Cherry, Treasurer/Assistant Secretary
Nancy Gibler, Secretary
Rodney Schad, Member

EIERA STAFF: Joe Boland, Executive Director
Mark Pauley, Deputy Director
Cathy Schulte, Fiscal Manager
Angie Powell, Missouri Market Development Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Executive Board Secretary

LEGAL COUNSEL: David Brown
Lewis Rice LLC

**OTHER
PARTICIPANTS:** Kurt Schaefer
Jake Buxton
Department of Natural Resources

Deric Marr-Andrews
Columbia Capital Management, LLC

Rob Mellinger
Truist Securities

Eric Cowan
BofA Securities, Inc.

Marty Hyman
Sam Smith
Division of Energy

(AGENDA ITEM #1) CALL TO ORDER

Vice Chair Fontana Nichols called the 372nd meeting of the State Environmental Improvement and Energy Resources Authority (the “Authority”) to order at 10:00 AM. Vice Chair Fontana Nichols took roll call and asked that the meeting record reflect a quorum was present via WebEx video conference.

Vice Chair Fontana Nichols introduced and welcomed the Authority’s new Board member, Mr. Schad.

Mr. Schad stated that he was here to serve and that he was glad to be on the Board.

(AGENDA ITEM 2) APPROVAL OF MEETING MINUTES

(AGENDA ITEM #2A) APPROVAL OF 371ST TELECONFERENCE MEETING MINUTES (APRIL 2, 2025)

The next order of business was to review and approve the meeting minutes of the 371st meeting (April 2, 2025) of the Authority.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Schad to approve the minutes of the 371st meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Ms. Gibler, Mr. Schad and Vice Chair Fontana Nichols all voted in favor. Motion carried.

(AGENDA ITEM #3) SUMMARY OF RECENT BOND TRANSACTIONS

Mr. Pauley stated that one of the main functions of the Authority is that of a bonding authority which enables us to issue a variety of different types of bonds. Including private activity bonds, water facilities revenue bonds, solid waste disposal revenue bonds, and energy efficiency bonds among others. The Authority provided \$6.2 billion in bond financing and more than \$51 billion in projects supporting Missouri communities since 1972.

Mr. Pauley said that, year-to-date for fiscal year 2025, the bonds issued were for three projects; Tri-County Water Authority in February of 2025, State Match Revenue Bonds in March

of 2025, and the Solid Waste Disposal Revenue Bonds for the City of Springfield's sanitary landfill in May of 2025.

Mr. Boland stated that it had been a busy spring for closings. Staff is hopeful that the landfill financing can be replicated at other municipal sites. Staff have initiated discussions with the City of Columbia to finance a similar expansion project of their bioreactor landfill. He emphasized that even though Staff has been very focused on the Solar for All program, the Authority continues to provide many other services.

(AGENDA ITEM #4) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Vice Chair Fontana Nichols called upon Ms. Powell to give an update on the Missouri Market Development Program (MMDP).

Ms. Powell reported to the Board that she had two applications for the Board's consideration.

(AGENDA ITEM #4B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE J. CARTER ENTERPRISES, LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell reminded the Board that J. Carter Enterprises, LLC was awarded MMDP assistance in FY2021 to purchase a grinder for wood waste. The project was successfully closed out in August of 2022; however, it continues to be used today to process waste pallets into mulch for sale.

Ms. Powell stated that J. Carter Enterprises, located in New Bloomfield, requested \$85,500 in financial assistance to purchase a plastic grinder (granulator) costing \$143,600. J. Carter Enterprises currently works with numerous manufacturers and companies in the area remanufacturing pallets and assisting with their wood and pallet waste. J. Carter Enterprises

researched diversion alternatives for large plastic spools that are currently a significant part of the Hitachi plant's waste stream. J. Carter Enterprises will market the polystyrene regrind to Cardinal Recycling in Morris IL. Cardinal Recycling will be mixing the regrind material, creating pellets and distributing them to various end markets, with the bulk of the regrind material becoming feedstock for manufacturing PVC pipe. A letter of Intent from Cardinal Recycling was included in the application.

The application states this project would create one full-time position and one part-time position and would divert a minimum of 84 tons of plastic material from the waste stream annually. Mr. Carter intends to grow the program and accept plastics from other companies as he expands his operation.

Ms. Powell stated that the Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$85,500, not to exceed 50 percent of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Schad to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with J. Carter Enterprises, LLC for an amount up to \$85,500, not to exceed 50 percent of the cost of the equipment. By roll call vote, Ms. Gibler, Mr. Schad, Mr. Cherry and Vice Chair Fontana Nichols all voted in favor. Motion carried.

(AGENDA ITEM #4C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE FEDERAL INTERNATIONAL RECYCLING & WASTE SOLUTIONS, LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell said that Federal International Recycling and Waste Solutions, LLC, a Jefferson City facility, is requesting \$250,000 in financial assistance to purchase a wood grinder

costing \$593,000 to shred pallet and other wood waste. This would be new venture for the company as they would be expanding their current processing of fiber materials and very limited pallet remanufacturing to include shredding of pallet and other wood waste into wood biomass fuel for a waste-to-energy facility.

The applicant states this expansion would create 13 full-time employees and it would divert approximately 3,276-4,200 tons from the waste stream annually. They have looked at improving and expanding the pallet recovery process for the past couple of years and have committed to increase and expand the pallet recovery process which will result in additional wood scrap that is beyond its useful life.

Additional volume will be obtained from current customers such as Unilever, American Plastics, Graves Food, Republic, Aurora Dairy, etc., and intend to add additional customers within the region.

The shredded wood waste would be sold for \$21/ton to Foster Brothers who currently have the bio-fuel supply agreement with the University of Missouri – Columbia powerplant.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$250,000, not to exceed 50 percent of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Schad to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Federal International Recycling & Waste Solutions, LLC for an amount up to \$250,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Ms. Gibler, Mr. Schad, Mr. Cherry and Vice Chair Fontana Nichols all voted in favor. Motion carried.

(AGENDA ITEM #5) BROWNFIELDS REVOLVING LOAN FUND AWARD INCREASE

Ms. Tipton reported to the Board and explained that the Missouri Brownfields Revolving Loan Fund (MBRLF) grant term expired in July 2020. Since that time, we have continued to operate the program using accumulated program income – monies collected as repayment to loans made by the MBRLF. She said that in order to fully close the MBRLF, funds can either be dispersed to projects or returned to the Environmental Protection Agency (EPA).

Staff recommends any remaining fund balance be applied to the Boonslick Community Development Corporation allowing the Authority to close the MBRLF program by fully utilizing available monies.

In September 2023, the Authority made \$250,000 awards to both the Boonslick Community Development Corporation and to the City of Excelsior Springs. Along with routine program costs, these projects were projected to use most of the balance of the program income. Both projects have been slow to start as the final bid for cost of cleanup far exceeded original estimates, each of the cleanups is now estimated at more than \$1 million.

The City of Boonville has offered to cover the additional cost of cleanup and the project with the Boonslick Community Development Corporation is now underway. The City of Excelsior Springs is considering options for covering the additional costs of their project.

Staff anticipate a small fund balance once both projects are complete and program expenses are covered. The remaining amount would likely not be sufficient to develop and award a new project. Since any unspent money must be returned to the EPA, staff recommends applying any remaining funds to the Boonslick Community Development Corporation project.

Mr. Boland stated that Brownfields have been in grant “close-out” status for five years. Staff is looking for the most efficient way to distribute remaining funds.

Vice Chair Fontana Nichols asked for the remaining balance.

Ms. Tipton said that the amount remaining was between \$50,000 - \$100,000.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler authorizing the director or her designee on behalf of the Authority to award the remaining balance of the funds to Boonslick Community Development Corporation. By roll call vote, Mr. Cherry, Ms. Gibler, Mr. Schad and Vice Chair Fontana Nichols all voted in favor. Motion carried.

(AGENDA ITEM #6) SOLID WASTE INFRASTRUCTURE FOR RECYCLING (SWIFR) GRANT PROGRAM UPDATE

Ms. Powell gave a quick review of the program and added that there is no State match required for the Solid Waste Infrastructure for Recycling (SWIFR) Grant for States and Territories. She reminded the Board that the Authority contracted with Burns & McDonnell Engineering Company, Inc. to update the 2005 Missouri Solid Waste Management Plan. Missouri was allocated \$572,065.

Ms. Powell commended Burns & McDonnell because they are on track and on budget with their work. Burns and McDonnell will meet with staff tomorrow, June 5, 2025. They plan on holding two workshops July 17th and 18th to further educate and engage stakeholders and seek feedback.

(AGENDA ITEM #7) SOLAR FOR ALL UPDATE

Mr. Boland stated that staff and the program consultant have been spending a lot of time and effort on administrative requirements, including revising all policies and procedures to conform to 2 CFR 200, revising the program workplan and budget, and incorporating EPA's detailed comments on our Quality Management Plan and Quality Assurance Project Plan.

Mr. Boland stated that the Authority and Guidehouse have engaged in several discussions to focus on the cost-effective approach, and will use a combination of low interest loan and grant to deliver 20% savings. To test out innovative program and financial models in the market, EI ERA

would like to pursue a community solar pilot and plan to release an RFP to solicit projects in June 2025. Municipal, electric cooperative, and investor-owned utilities will be eligible to respond to the RFP.

Mr. Boland deferred to Mr. Schafer for comment.

Mr. Schaefer stated that MDNR is working on updating the state's Energy Policy. He noted that Missouri was one of seven states selected by the National Governors Association and the U.S. Department of Energy to host a state-level nuclear summit. He said there will be a Nuclear Summit on July 17, 2025, at the MU Christopher S. Bond Life Sciences Center, in Columbia, Missouri and invited the Board to attend.

Discussion ensued.

(AGENDA ITEM #8) ELECTION OF OFFICERS

Mr. Brown stated that in the past, a slate of officers was proposed and voted on by the Board even if members are elected to different offices. He said that each officer could also be elected individually and that either way was acceptable.

Vice Chair Fontana Nichols stated that her recommendation was to retain the current slate of officers including changes in offices.

Mr. Cherry stated that his slate of officers' recommendation was electing Ms. Gibler as Chair, Mr. Schad as Secretary, Vice Chair Fontana Nichols continues as Vice Chair, and that he would continue as Treasurer and Assistant Secretary.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to retain the current slate of officers including Ms. Gibler as Chair, Mr. Schad as Secretary, Vice Chair Fontana Nichols as Vice Chair and Mr. Cherry as Treasurer and Assistant Secretary. By roll call vote, Mr. Cherry, Ms. Gibler, Mr. Schad and Vice Chair Fontana Nichols all voted in favor. Motion carried.

(AGENDA ITEM #9) OTHER BUSINESS

(AGENDA ITEM #9A) OPPORTUNITY FOR PUBLIC COMMENT (LIMIT OF FOUR MINUTES PER INDIVIDUAL)

Vice Chair Fontana Nichols asked if anyone would like to make a public comment at this time. There were no comments.

(AGENDA ITEM #9B) NEXT MEETING DATE

Mr. Boland reminded the Board that the next meeting would be held on July 2, 2025.

(AGENDA ITEM #9C) OTHER

Mr. Boland stated that staff would be meeting with the Waste Management Program on Friday, June 6, 2025, to assist them with an RFP for professional services for the oversight and installation of 12 landfill gas monitoring probes at the Woods Capel and Jackson County Sanitary Landfills in Jackson County.

A follow up meeting will be scheduled with City of Columbia staff to further discuss financial assistance for their landfill expansion.

The Authority also met with Director Schaefer and the Doe Run Company to discuss financing some future projects for their processing and mining sites.

Mr. Boland said that the Authority budgets were typically presented to the Board in June, however they will be brought to the Board this year in July for approval.

(AGENDA ITEM #10) CLOSED MEETING PURSUANT TO SECTION 610.021 (11) OR (12) RSMO

MOTION: Motion was made by Mr. Cherry and seconded by Chair Gibler to close the meeting for the purposes of discussing confidential matters including negotiated contractual matters with the Authority's attorneys and personnel matters pursuant to Section 610.021(3), (11) or (13) RSMo. By voice vote, Mr. Cherry, Chair Gibler, Mr. Schad and Vice Chair Fontana Nichols all voted in favor. Motion carried.

(AGENDA ITEM #11) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #12) ADJOURNMENT OF OPEN MEETING

There being no further business to come before the Board, there was a motion to adjourn.

MOTION: Motion was made by Chair Gibler and seconded by Mr. Schad to adjourn the meeting. By roll call vote, Chair Gibler, Mr. Schad, Mr. Cherry and Vice Chair Fontana Nichols all voted in favor. Motion carried.

Respectfully submitted,

(SEAL)

Chair of the Authority

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
Board Meeting
July 2, 2025

Agenda Item #3B
MISSOURI MARKET DEVELOPMENT PROGRAM
WILSON INDUSTRIES, LLC

Issue:

Wilson Industries, LLC requested \$250,000 to purchase equipment costing \$822,034 that would enable the company to add 2 (two) extrusion lines to produce product requested by two major companies.

Action Needed:

Consideration of the funding recommendations for the Wilson Industries, LLC project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the equipment.

Staff Contact:

Angie Powell, Missouri Market Development Director

Background:

Wilson Industries, located in Gainesville, requested \$250,000 to purchase equipment costing \$822,034 that would enable the company to install 2 (one new and one used) extrusion lines to produce product requested by two major companies.

A similar application was submitted by Wilson Industries in FY2022 and approved by the MMDP Steering Committee. In FY2022 the applicant intended to acquire and utilize 2 NEW extrusion lines but the project was terminated in August of 2023 as Wilson Industries was unable to find personnel to operate the two new extrusion lines.

Wilson Industries has conducted testing for the manufacture of a specialized plastic core requested by Kimberly Clark and appears to be the only company with the capacity to make this product. Wilson can meet this need, as well as additional production with the installation of the new extrusion lines.

Wilson Industries is a successful past program participant. The Wilsons are the third owners of the company formerly known as Bryant Plastics, which has produced PVC pipe and fittings since 1976. With encouragement from the Missouri Market Development Program in the early 1990's, the company began using recovered PVC in its product production. The most recent

project with the program added pulverizing capacity to the plant and the company now sells recovered PVC in powdered form to other manufacturers. In recent months, plastic prices have been volatile due to lower availability of virgin materials, so this was a good fit for the company.

Materials recovered include almost anything made from PVC: pipe, siding, fencing, credit cards, etc. Wilson Industries receives waste plastics and shreds, grinds and pulverizes them for their own production lines.

Wilson Industries anticipates diverting 1,820 tons annually from the waste stream and creating 11 full time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

AP:ge

State Environmental Improvement and Energy Resources Authority
373rd Board Meeting
July 2, 2025

Agenda Item #4
ADOPTION OF FISCAL YEAR 2026 BUDGETS

Issue:

Adoption of Fiscal Year 2026 Budgets to be in effect on July 1, 2025.

Action Needed:

Consideration and adoption of FY26 Budgets for the Authority, Market Development Program, Brownfields Revolving Loan Fund, Solid Waste Infrastructure for Recycling Grant (SWIFR) and Solar for All Program.

Staff Recommendation:

Staff recommends that the attached budgets be adopted.

Staff Contact:

Joe Boland, Cathy Schulte

Background:

Attached you will find information pertaining to the FY25 adopted budgets, the anticipated final FY25 actual expenditures and FY26 proposed budgets.

The proposed budgets are being presented for approval so we have an operating budget for the upcoming fiscal year. They are based upon a combination of FY24 and FY25 actual expenses. If any revisions are necessary as the year goes on, staff will return to the Board for approval of those changes.

Overall revenues are expected to increase with the continuation of the Solar for All grant. Some of this increase is also created by the completion of the SWIFR project anticipated in late 2025. Separate budgets are shown for both the Solar for All Program and SWIFR program.

The SRF program continues to have a very large number of loans anticipated to close in Fiscal Year 2026 including a handful over \$100 million. So, a bond transaction could be on the horizon depending on their cash flow needs. However, we took a conservative approach and did not include any additional bond fee revenue in the Authority budget projections. Expense categories are generally in line with FY25 amounts.

The Market Development Budget revenues reflect the FY26 allocation of the Solid Waste Management Fund as well as those monies not expended in previous years. Some expenses have been adjusted based on current year, but overall, they are not significantly different from FY25.

The budget for the Brownfields program reflects a remaining balance of approximately \$350,000 that is allocated to two final projects. If both projects are successful, this balance should be spent within the 2026 fiscal year.

The Solar for All budget will support at least three current staff members and includes a significant amount of contractual dollars to continue to support a technical assistance provider that has been assisting with program design and implementation. This grant period runs through 2029.

JB:ge

Attachments

FY 2026 Budget Authority

ATTACHMENT A

	FY25		FY25 Anticipated Actuals			FY26
Revenues/Reimbursements:	Budget		at year end 6/30/25	Variance		Budget
MMDP Reimbursement	\$ 45,000	\$	45,000	\$ -	\$	45,000
SRF Reimbursement	\$ 215,000	\$	161,105	\$ 53,895	\$	180,000
NRD Reimbursement	\$ 5,000	\$	503	\$ 4,497	\$	1,000
SFA Reimbursement	\$ -	\$	117,290	\$ (117,290)	\$	665,843
Application Fees	\$ 5,000	\$	7,500	\$ (2,500)	\$	5,000
Issuance fees	\$ 100,000	\$	186,292	\$ (86,292)	\$	100,000
Investment Income	\$ 50,000	\$	65,845	\$ (15,845)	\$	40,000
Misc. Income	\$ 3,660	\$	3,660	\$ -	\$	3,660
TOTAL REVENUES	\$ 423,660	\$	587,195	\$ (163,535)	\$	1,040,503
Expenses:						
Personal Services						
Per Diem	\$ 750	\$	624	\$ 126	\$	1,600
Office Salaries	\$ 300,000	\$	234,925	\$ 65,075	\$	459,005
Payroll Taxes & Fringe	\$ 170,000	\$	134,879	\$ 35,121	\$	271,134
Travel Expense Staff	\$ 7,500	\$	-	\$ 7,500	\$	7,500
Travel Expense Board	\$ 1,500	\$	-	\$ 1,500	\$	1,500
Total Personal Services	\$ 479,750	\$	370,428	\$ 109,322	\$	740,739
Professional Services						
Legal Fees & Exps (General)	\$ 20,000	\$	32,264	\$ (12,264)	\$	35,000
Legal Fees & Exps (SRF Misc.)	\$ 10,000	\$	27,775	\$ (17,775)	\$	10,000
Legal Fees & Exps (Other Projects)	\$ 2,000	\$	-	\$ 2,000	\$	2,000
Accounting Fees	\$ 10,000	\$	5,118	\$ 4,882	\$	10,000
Audit Fees	\$ 21,000	\$	22,038	\$ (1,038)	\$	27,000
Misc. Professional Fees	\$ 100,000	\$	1,750	\$ 98,250	\$	100,000
Total Professional Services	\$ 163,000	\$	88,945	\$ 74,055	\$	184,000
Operating Expenses						
Equipment Maintenance	\$ 500	\$	-	\$ 500	\$	500
Telephone & Ethernet	\$ 10,000	\$	1,168	\$ 8,832	\$	7,500
Office Supplies & Printing	\$ 2,000	\$	1,543	\$ 457	\$	2,500
Postage & Shipping	\$ 1,000	\$	485	\$ 515	\$	1,200
Membership Dues	\$ 4,000	\$	500	\$ 3,500	\$	4,000
Conference Registration	\$ 2,000	\$	-	\$ 2,000	\$	2,000
Subscriptions	\$ -	\$	-	\$ -	\$	-
Training	\$ 1,500	\$	193	\$ 1,307	\$	1,500
Board Meeting Expense	\$ 750	\$	-	\$ 750	\$	750
Misc & Administrative	\$ 500	\$	136	\$ 364	\$	600
Advertising	\$ 1,500	\$	-	\$ 1,500	\$	1,500
Office Maintenance	\$ 200	\$	-	\$ 200	\$	500
Rent	\$ 39,500	\$	40,451	\$ (951)	\$	42,000
Insurance	\$ 850	\$	921	\$ (71)	\$	1,100
Equipment Purchases	\$ 2,000	\$	-	\$ 2,000	\$	2,000
Computer Purchases	\$ 2,000	\$	1,125	\$ 875	\$	4,500
Computer Software	\$ 2,000	\$	1,810	\$ 190	\$	2,100
Workers Comp Contingency	\$ 4,500	\$	-	\$ 4,500	\$	4,500
NRD Direct Costs	\$ 3,000	\$	-	\$ 3,000	\$	3,000
Total Operating Expense	\$ 77,800	\$	48,332	\$ 29,468	\$	81,750
TOTAL EXPENSES	\$ 720,550	\$	507,705	\$ 212,845	\$	1,006,489
Net Increase (Decrease) in Funds	(\$296,890)		\$79,490			\$34,014

FY 2026 Budget
Missouri Market Development Program

	FY25	FY25 Anticipated Actuals		FY26
Revenues:	Budget	at fiscal year end 6/30/25	Variance	Budget
Solid Waste Management Fund	\$ 2,445,768	\$ 877,067	\$ 1,568,701	\$ 2,903,875
Investment Income	\$ -	\$ 356	\$ (356)	\$ -
TOTAL REVENUES	\$ 2,445,768	\$ 877,423	\$ 1,568,345	\$ 2,903,875
Expenses:				
Administrative				
Program Salary/Fringe	\$ 157,171	\$ 149,995	\$ 7,176	\$ 169,300
Travel	\$ 2,500	\$ 1,395	\$ 1,105	\$ 2,500
Legal Expenses & Fees	\$ 500	\$ -	\$ 500	\$ 500
Accounting Fees	\$ 2,700	\$ 2,475	\$ 225	\$ 2,700
Membership Fees	\$ 1,500	\$ 1,355	\$ 145	\$ 1,500
Conference/Registration Fees	\$ 2,000	\$ 975	\$ 1,025	\$ 2,000
Sponsorships	\$ 5,000	\$ 3,500	\$ 1,500	\$ 5,000
EIERA Costs	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
Direct Costs	\$ 4,000	\$ 516	\$ 3,484	\$ 4,000
Training	\$ 500	\$ -	\$ 500	\$ 500
Total Administrative	\$ 220,871	\$ 205,211	\$ 15,660	\$ 233,000
Business Assistance				
Travel	\$ 2,500	\$ 969	\$ 1,531	\$ 2,500
Legal Expenses & Fees	\$ 35,000	\$ 8,138	\$ 26,862	\$ 35,000
Promos/Publication Design & Production	\$ 450	\$ -	\$ 450	\$ 450
Miscellaneous Expense	\$ 50	\$ -	\$ 50	\$ 50
Direct Financial Assistance	\$ 1,297,349	\$ 75,000	\$ 1,222,349	\$ 1,940,577
Direct Financial Assistance-Encumbered	\$ 859,548	\$ 557,750	\$ 301,798	\$ 662,298
Business Initiatives	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Business Initiatives - Encumbered	\$ -	\$ -	\$ -	\$ -
Total Business Assistance	\$ 2,224,897	\$ 671,857	\$ 1,553,040	\$ 2,670,875
TOTAL EXPENSES	\$ 2,445,768	\$ 877,068	\$ 1,568,700	\$ 2,903,875

FY 2026 Budget

Solid Waste Infrastructure for Recycling (SWIFR) Grants

FY26	Estimated	FY 26
Revenues:	Fund Balance	Budget
		(Year Three)
Balance of Available Grant Funds	\$ 204,630	\$ 204,630
	\$ -	\$ -
	\$ -	\$ -
TOTAL REVENUES	\$ 204,630	\$ 204,630
Expenses:		
Office Salaries	\$ 27,852	\$ 27,852
Payroll Taxes & Fringe	\$ 17,576	\$ 17,576
Travel	\$ 1,250	\$ 1,250
Supplies	\$ 500	\$ 500
Contractual	\$ 156,470	\$ 156,470
Other	\$ 982	\$ 982
TOTAL EXPENSES	\$ 204,630	\$ 204,630

FY 2026 Budget
Brownfields Revolving Loan Fund - Grant Closed

FY26	Estimated	FY 26
Revenues:	Fund Balance	Budget
Balance of Repayment Funds Available	\$ 350,092	\$ 350,092
Interest	\$ 700	\$ 700
	\$ -	\$ -
TOTAL REVENUES	\$ 350,792	\$ 350,792
Expenses:		
Office Salaries, Payroll Taxes & Fringe	\$ 7,500	\$ 7,500
Travel	\$ 250	\$ 250
Supplies	\$ 1,000	\$ 1,000
Contractual	\$ 7,000	\$ 7,000
Grant/Loans	\$ 335,042	\$ 335,042
TOTAL EXPENSES	\$ 350,792	\$ 350,792

FY 2026 Budget Solar for All Grant

FY26	Estimated	FY 26
Revenues:	Fund Balance	Budget
		(Year Two)
Balance of Available Grant Funds	\$ 154,713,241	\$ 38,331,790
	\$ -	\$ -
	\$ -	\$ -
TOTAL REVENUES	\$ 154,713,241	\$ 38,331,790
Expenses:		
Office Salaries	\$ 1,458,616	\$ 327,160
Fringe Benefits	\$ 861,604	\$ 193,253
Travel	\$ 9,594	\$ -
Supplies	\$ 42,600	\$ 1,200
Contractual	\$ 11,378,088	\$ 3,917,334
Other	\$ 139,601,689	\$ 33,227,000
Indirect	\$ 1,361,050	\$ 665,843
TOTAL EXPENSES	\$ 154,713,241	\$ 38,331,790

State Environmental Improvement and Energy Resources Authority
373rd Board Meeting
July 2, 2025

Agenda Item #5
RATIFICATION OF POLICIES AND PROCEDURES HANDBOOK AND AUTHORITY CONFLICTS
OF INTEREST STATEMENT

Issue:

The EIERA has documented accounting and financial management, payroll, travel, equipment, procurement and program income policies and procedures in a Policies and Procedures Handbook. A related "Conflicts of Interest Statement" was developed for adoption by staff and members of the board.

Action Needed:

Ratification of revised Policies and Procedures Handbook and Conflicts of Interest Statement.

Staff Recommendation:

Staff recommends approval of both documents.

Staff Contact:

Hannah Humphrey

Background:

The EIERA has set forth a compilation of new and revised policies and procedures within the Policies and Procedures Handbook dated June 13, 2025. The handbook is structured around six key operational areas:

- Accounting and Financial Management: Establishes standards for tracking, reporting, and safeguarding funds through sound financial practices.
- Payroll: Outlines procedures for documenting and allocating personnel costs in compliance with federal grant requirements.
- Travel: Provides guidelines for authorizing, documenting, and reimbursing travel expenses.
- Equipment: Details the requirements for purchasing, managing, and disposing of equipment acquired with federal grant funds.
- Procurement: Defines the process for acquiring goods and services in a fair, transparent, and federally compliant manner when necessary.
- Program Income: Explains how to identify, track, and use any income generated as a result of federally funded activities.

The Policy and Procedures Handbook is to be maintained alongside the EIERA Employee Manual, which addresses the following topics: work environment, employee relations, employee benefits, financial and communications.

This handbook demonstrates the EIERA's commitment to robust financial and administrative management of its resources, and provides employees with clear expectations about their roles, responsibilities, and how to perform tasks. The handbook serves to demonstrate EIERA's compliance with requirements related to administration of federally awarded funds. It distinguishes between policies and procedures for federal and non-federal funds where different, and procedures for federal funds were crafted in alignment with federal guidance.

Additionally, the EIERA has long maintained an Employee Manual containing a brief statement prohibiting employees from engaging in "any personal, business, or professional activity or receive or retain any direct or indirect financial interest that places them in a position of conflict between their private interests and the public interests of the Authority related to the duties and responsibilities of their jobs." A new policy established within the Policies and Procedures Handbook creates an obligation for each employee and member of the board to review and adopt in writing EIERA's "Conflicts of Interest Statement." By signing the Statement, each signee commits to implementing and abiding by policies and procedures that ensure fairness in procurement and protects EIERA's interests and reputation from perceived conflicts of interest that might benefit any of its directors, board members, employees, agents, consultants, and/or vendors. This Conflicts of Interest policy requires a onetime signature and creates oversight obligations and procedures over EIERA transactions, including procurement, that are implemented by all signers.

Staff and our General Counsel will be available during the meeting to answer any questions.

HH:ge

Attachments

ATTACHMENT A

POLICIES AND PROCEDURES HANDBOOK

FOR U.S. ENVIRONMENTAL PROTECTION AGENCY FEDERAL GRANTS



June 13, 2025

Version 1

DESCRIPTION

This handbook establishes The State of Missouri Environmental Improvement and Energy Resources Authority's (EIERA) policies and procedures for administering EPA-awarded funds to comply with EPA federal grant requirements. The policies and procedures included in this handbook were crafted in alignment with key elements outlined in the EPA's Administrative Capability Questionnaire, including internal controls, financial management systems, and core operational policies necessary for the effective oversight and administration of federal awards.

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I. INTRODUCTION & OVERVIEW

The Environmental Improvement and Energy Resources Authority (EIERA) of Missouri is committed to full compliance with federal requirements in the administration of EPA-awarded funds. As part of this commitment, EIERA maintains accurate financial records and adheres to federal standards for financial and administrative management, including routine monitoring and reconciliation. This manual supports these efforts by outlining the policies and procedures for the compliant, accountable, and effective use of EPA-awarded federal funds. The policies and procedures detailed in this manual apply to all EIERA employees involved in authorizing, managing, or administering federal awards.

This handbook is structured around six key operational areas critical to EPA grants management:

- **Accounting and Financial Management:** Establishes standards for tracking, reporting, and safeguarding EPA grant funds through sound financial practices.
- **Payroll:** Outlines procedures for documenting and allocating personnel costs in compliance with federal grant requirements.
- **Travel:** Provides guidelines for authorizing, documenting, and reimbursing travel expenses related to EPA-funded activities.
- **Equipment:** Details the requirements for purchasing, managing, and disposing of equipment acquired with EPA grant funds.
- **Procurement:** Defines the process for acquiring goods and services in a fair, transparent, and federally compliant manner.
- **Program Income:** Explains how to identify, track, and use any income generated as a result of EPA-funded activities.

The subsections within each area include:

- **Section 1.0 Overview and Purpose:** Describes the intent and scope of the section.
- **Section 2.0 Definitions and Acronyms:** Clarifies key terms and abbreviations used.
- **Section 3.0 Responsibilities:** Outlines the roles and duties of staff and stakeholders.
- **Section 4.0 Policy:** States the official position and compliance requirements.
- **Section 5.0 Procedures:** Provides step-by-step instructions for implementation.

Each section aligns with the EPA's Administrative Capability Questionnaire and addresses essential components such as internal controls, financial systems, and documentation standards. The policies herein reflect federal regulations, including 2 CFR Part 200 (Uniform Guidance), and are tailored to EIERA's operational context to ensure consistent and compliant grant administration.

Users should consult the relevant section of this manual for guidance and apply the structured subsections accordingly. This manual should be used alongside the specific terms and conditions of each award, EPA programmatic guidance, and any updated compliance requirements throughout the grant administration lifecycle.

II. CHANGE CONTROL

The version log below provides a history of the key changes made in this document.

Versioning: Major number represents comprehensive updates (typically annual or less frequent). A low number is for smaller, intermediary updates.

Version 1.0 denotes the first policy published under the new policy framework.

Version	Approved On	Effective Date	Summary of Changes
1.0			Initial policy and procedures adopted by EIERA

III. ACCOUNTING AND FINANCIAL MANAGEMENT

**Accounting & Financial Management
Policy & Procedures**

June 2025

Version 1

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Section 1.0 Overview and Purpose

The objective of this policy and procedures document is to establish standards and guidelines for federal grants that are related to accounting and financial management activities conducted by the Missouri Environmental Improvement and Energy Resources Authority (“EIERA”). EIERA is expected to maintain accurate, current, and complete financial data. Individuals acting on behalf of EIERA in authorizing, managing, and administering a federal award must ensure adherence to the applicable guidelines within this document.

As a recipient of federal funding, EIERA is required to remain compliant with 2 CFR 200 Subpart B General Provisions (2 CFR 200.100 – 200.113) Subpart D—Post Federal Award Requirements, particularly 2 CFR 200.302(b), 200.305(b), 200.328 (Financial Reporting), 2 CFR 200 Subpart E—Cost Principles, the Reporting Subaward and Executive Compensation Information (Federal Funding Accountability and Transparency Act (FFATA) reporting), as well as federal agency and department-specific guidance.

This policy and these procedures are inclusive of general federal award requirements where applicable. Federal grants are subject to the same monitoring, review, and reconciliation process established for operating financial accounts. Please refer to the federal award agreement and terms and conditions for specifics regarding the Federal Awarding Agency programmatic requirements.

This document applies to all EIERA employees, as necessary.

Section 2.0 Definitions and Acronyms

1. **“EIERA’s Financial Management System” or “(FMS)”** is a combination of Thomson Reuters Accounting CS Professional Suite software, Statewide Advantage for Missouri (SAM II), Missouri Vital Enterprise Resource System (MOVERS) and various spreadsheets and processes used to manage income, expenses and assets in EIERA.
2. **“Thomson Reuters Accounting CS Professional Suite”** is the accounting and financial software used to track income, expenses, and assets in the organization and book journal entries.
3. **“Accounting Records”** represents a detailed record of how award funds are received and used.
4. **“Allowable Costs”** represents charges incurred by a federal program that can be covered by the federal award.
5. **“Budget Control”** ensures that a recipient or subrecipient does not spend more than the federal award amount by establishing clear spending boundaries, promoting accountability, and enhancing trust in the use of federal financial assistance.

6. **“Cash Management”** is a grants payment process and system for receiving and managing federal funds. Cash management options include advance payments, reimbursement, or working capital advances.
7. **“CFR”** means Code of Federal Regulations and is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.
8. **“COSO”** means Committee of Sponsoring Organizations of the Treadway Commission.
9. **“De Minimis Rate”** is a simplified indirect cost rate that allows entities to recover a portion of their indirect costs without the need for a formal indirect cost rate negotiation. The de minimis indirect cost rate is set at 15% of the Modified Total Direct Costs (MTDC).
10. **“EIERA”** refers to the Missouri Environmental Improvement and Energy Resources Authority.
11. **“F&A”** means facilities and administrative costs.
12. **“FAR”** means the Federal Acquisition Regulations.
13. **“Federal Award Identification Number (FAIN)”** is an identification code assigned by an agency for tracking purposes to a specific financial assistance award.
14. **“Federal Financial Assistance”** represents federal funds for organizations and entities supporting the development and management of government-funded programs.
15. **“FFATA”** means Federal Funding Accountability and Transparency Act.
16. **“FFR”** means Federal Financial Report.
17. **“Financial Reporting”** is a statement of expenditures associated with an award.
18. **“GAAP”** means Generally Accepted Accounting Principles.
19. **“GAGAS”** means Generally Accepted Government Auditing Standards.
20. **“Indirect Costs”** are costs that are not directly attributable to a specific project or program and are essential for the overall functioning of the organization (e.g., administrative salaries, utilities, office supplies).
21. **“Internal Controls”** includes processes and systems through which EIERA ensures that it is operating effectively, accurately manages its finances and accounting, reports reliable data, and complies with its policies and procedures as well as applicable laws and regulations.
22. **“Modified Total Direct Costs” or “(MTDC)”** is the total direct costs minus certain exclusions (e.g., capital expenditures, participant support costs).

23. **“Program Income” or “(PI)”** is the revenue generated directly or indirectly through activities supported by EIERA’s federally funded projects. Typical PI generated will come from loan interest, loan repayments, and related areas, and through philanthropic funds.
24. **“Purchase Order”** is a document used to procure goods and services.
25. **“SAM”** means System for Award Management.
26. **“Substantial Amendment”** represents changes to a project, objective, or deliverables to a project award to improve performance or address an emerging need of program delivery.
27. **“UEI”** means unique entity identifier.
28. **“Statewide Advantage for Missouri” or “SAM II”** is the State of Missouri's integrated financial, HR and payroll system until 2026.
29. **“Missouri Vital Enterprise Resource System” or “(MOVERS)”** is the financial, HR and payroll system that will replace SAM II in 2026.

Section 3.0 Responsibilities

1. **Independent Auditor** – conducts the annual audit assuring compliance with federal standards.
2. **Deputy Director** – responsible for monitoring, administering and overseeing assistance agreements once received from Federal Awarding Agencies. Authorized to review and approve contractor invoices for processing and payment.
3. **EIERA Board** – approve strategic planning and overall program budgets, approves all financial assistance, and appointing leadership.
4. **EIERA Employees** – the directors, officers, and employees (direct and leased) of the Environmental Improvement and Energy Resources Authority or an affiliate of EIERA responsible for EIERA activities or functions of the federal award pursuant to the terms and conditions and program policy requirements.
5. **End-Recipient** – non-federal, incorporated entity receiving an award from the recipient (EIERA) to execute the objective of the federal award and/or Federal Awarding Agency.
6. **Executive Director** – responsible for all strategic planning, financial management and legal compliance; and reviews federal financial reports and closeout reports to be submitted to the Federal Awarding Agency. Authorized to review and approve contractor invoices for processing and payment. Authorized to request payment from Federal Awarding Agencies.
7. **Federal Awarding Agency** – maintains oversight of the State Awarding Agency award and verifies compliance with all federal requirements and regulations.

8. **Fiscal Manager** – responsible for oversight of EIERA’s financial and administrative support services related to federal awards and other funds. Prepares/reviews the program budget and financial reports and conducts overall finance and accounting activities. Responsible for reviewing each project budget, distributing indirect costs based on the percentage of total direct costs attributed to each project, and preparing and submitting financial reports; financial and administrative support services related to federal awards including maintaining detailed records of accounting transactions, including project expenditures and other financial information, to ensure compliance with federal program requirements. Authorized to request payment from Federal Awarding Agencies.
9. **Grant Manager** – identifies costs, verifies costs are allowable and prepares budgets as well as project and program performance reports that are required for federal grant.
10. **Subrecipient** – non-Federal entity that receives a subaward from EIERA to execute the objective of the federal award and/or Federal Awarding Agency.
11. **Contract CPA** – prepares all final quarterly adjustments and prepares the final quarterly financial statements, the quarterly recurring entries that may include accrual entries for interest income on loans receivable, interest expense on notes payable, interest income on idle funds, accrued audit fees, prepaid insurance expense, and accumulated depreciation and amortization expense and provides final quarterly financial statements to the Fiscal Manager and Executive Director.
12. **Executive Board Secretary** – manages record retention.

Section 4.0 Policy

As a recipient of federal funding, EIERA and its employees must adhere to the following policies and guidelines for financial management, accounting, and reporting with respect to federal dollars. EIERA is committed to executing proper cost and accounting legal practices in compliance with all applicable terms and conditions of the federal funding agreements to which it is a party and to managing broader legal and compliance risks related to the work under federal awards.

EIERA is responsible for reviewing, approving, and signing federal assistance agreement applications, awards, and amendments. EIERA is also responsible for the ongoing oversight and administration of these assistance agreements. As EIERA ramps up its operations and compliance capabilities following the execution of its federal award, detailed roles and responsibilities will be defined to ensure comprehensive management and compliance of accounting and financial activities.

This section introduces key accounting and financial management policies and guidelines that EIERA adopted to guide its accounting and financial management practices.

A. Financial Management Systems

EIERA utilizes a combination of Thomson Reuters Accounting CS Professional Suite software, state systems (Statewide Advantage for Missouri (SAM II) and Missouri Vital Enterprise Resource System

(MOVERS)) and various spreadsheets and processes for its financial management system (FMS). FMS contains EIERA's chart of accounts. Each grant is set up with its own bank account, a set of financial statements, and is prepared utilizing FMS.

The use of the FMS enables EIERA to adhere to 2 CFR 200.302. EIERA uses the FMS and its accounting system to enter key accounting and award information and adheres to 2 CFR 200.302(b). FMS functionality assists in EIERA meeting the following federal requirements:

- *Generally Accepted Accounting Principles (GAAP).* Costs charged to federal awards must be determined in accordance with GAAP.
- *Identification of Federal Awards.* All federal awards received and expended and the federal programs under which they were received will be entered into FMS. The information captured for each award includes the Assistance Listing title and number, the FAIN and year, the name of the awarding federal agency, and the name of pass-through entities, as applicable.
- *Disclosure of Financial Results of Federal Awards.* FMS reports accurate, current, and complete financial results of each federal award and/or program in accordance with reporting requirements in 2 CFR 200.328-329. FMS tracks revenue and expenditures and provides financial results separately for each project or program under the federal award.
- *Source and Application of Funds.* FMS provides records that adequately identify the source and application of funds for federally funded activities. These records must contain information pertaining to the relevant federal awards, authorization, financial obligations, unobligated balances, assets, expenditures, income, and interest. All required records must be supported by source documentation. These records will inform reports on and allow a comparison of outlays to budgeted amounts for each federal award.
- *Expenditures.* FMS allows EIERA to compare expenditures with budget amounts for each federal award.

B. Internal Controls

FMS will support effective controls over reporting and accountability for all funds, property, and other assets in compliance with 2 CFR 200.303. EIERA adequately safeguards all assets and assures that they are used solely for authorized purposes. In addition, EIERA internal controls will be in compliance with the "Standards for Internal Control in the Federal Government" issued by the Fiscal Manager General of the United States and the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

FMS will:

- Establish and maintain effective internal controls to provide reasonable assurance that EIERA is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Comply with the U.S. Constitution, federal statutes, regulations, and the terms and conditions of the federal awards.
- Be used to evaluate and monitor EIERA's compliance with statutes, regulations, and the terms and conditions of federal awards. Regular project, program, and financial performance reports will be submitted to the Federal Award Agency as requested or outlined within the grant agreement, including the terms and conditions.

- Identify when prompt action is needed to correct instances of noncompliance and track the progress and completion of corrective actions, including corrective actions identified in response to noncompliance identified in audit findings.
- Include reasonable measures to safeguard personally identifiable information, confidential business information, and other information that EIERA designates as sensitive consistent with applicable federal, state, local, and tribal laws regarding privacy and responsibility over confidentiality.

C. Drawdowns

EIERA's drawdown policy ensures compliance with 2 CFR § 200.305 (Federal Payments) and 2 CFR § 200.303 (Internal Controls), and as required by 2 CFR § 200.305(a). EIERA must draw down funds as soon as possible for the minimum amounts needed for actual and immediate cash requirements to pay employees, contractors, subrecipients or to satisfy other obligations for allowable costs under this assistance agreement. The timing and amounts of the drawdowns will be as close as administratively feasible to actual disbursements of funds.

Reimbursements

Drawdowns will be requested only for allowable costs that have been incurred and paid for in accordance with 2 CFR § 200 Subpart E. Each reimbursement request must be supported by adequate documentation, including invoices, receipts, and proof of payments, to verify that expenditures are allowable, reasonable, and allocable to the federal award.

Internal Controls

Drawdown requests will have a separate preparer and approver to ensure that no single individual has control over all aspects of the process. The preparer will maintain detailed records of all drawdown requests, including the purpose, amount, and related supporting documentation, to ensure transparency and accountability.

Subrecipient Requirements

Any subrecipients must establish and maintain documented procedures for drawdown requests that comply with 2 CFR § 200.303 (Internal Controls). Subrecipients must provide, and EIERA will review, required documentation to support drawdown requests to ensure their compliance.

Reporting and Reconciliation

EIERA will regularly reconcile drawdown requests with accounting records to ensure accuracy and completeness. EIERA will ensure that all drawdown activities are accurately reflected in financial reports submitted to the Federal Awarding Agency in compliance with 2 CFR § 200.328 (Financial Reporting).

D. Cost Allowability

In accordance with 2 CFR 200.302(b)(7), EIERA bases its allowable cost procedures on 2 CFR 200 Subpart E to align its practices with the applicable cost principles and the specific terms and conditions of the federal award. EIERA uses 2 CFR 200.303 to establish internal controls for the review and approval process.

Cost Allowability Criteria

EIERA must ensure that costs meet specific criteria to be allowable under federal awards and appropriate documentation exists for the following:

- *Necessary and Reasonable.* Costs are necessary and reasonable for the performance of the federal award. Accordingly, costs must reflect what a prudent person would incur under similar circumstances.
- *Allocable.* Costs are allocable to the federal award in accordance with the benefits received. Costs are allocable if incurred specifically for the federal award and can be distributed in reasonable proportion to the benefits received.
- *Conformance with Limitations or Exclusions.* Costs conform to the limitations and exclusions set forth in 2 CFR 200 Subpart E—Cost Principles or in the federal award as to the types or amounts of cost items.
- *Consistent Treatment.* Costs are consistently applied (i.e., that costs will consistently be treated as either a direct cost or an indirect cost under like circumstances).
- *Compliance with GAAP.* Costs comply with GAAP. For costs to comply with GAAP, costs adhere to standardized accounting principles that ensure consistency, relevance, reliability, and comparability in financial reporting. This means recognizing revenue when earned, matching expenses to revenue, providing full disclosure of all relevant information, and basing financial information on objective evidence.
- *Adequately Approach Documented.* Proper records are maintained to support all costs charged to the federal award and comply with all requirements of the federal award.
- *Incurred during the Approved Budget Period.* Costs were incurred during the approved budget period by registering the dates on which the costs were incurred and reconciling them against the award period.

Note: The Federal Awarding Agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to 2 CFR 200.308(e)(3).

Factors Affecting Reasonableness

To ensure that EIERA's financial activities remain in alignment with the goals and requirements of the federal award, EIERA validates that all costs charged to the federal awards are reasonable. A cost is considered 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 was made to incur the cost. The criteria for reasonableness under federal awards include demonstrating and documenting:

- *Ordinary and Necessary.* Costs are ordinary and necessary for the operation of EIERA for the effective and efficient performance of the federal award.
- *Sound Business Practices.* Costs are consistent with sound business practices, arms-length bargaining, federal and state laws and regulations, and the terms and conditions of the federal award.

- *Prudence.* Costs reflect the action in which a prudent person would incur under similar circumstances.
- *Market Prices.* Costs are consistent with market prices for comparable goods or services in the geographic area.
- *Significant Deviations.* Costs do not significantly deviate from established practices and policies of EIERA, which may unjustifiably increase the federal award's cost.

E. Budget and Program Plan Revisions

To ensure that EIERA's financial activities remain in alignment with the goals and requirements of the federal award, EIERA will obtain prior written approval from the Federal Awarding Agency if a substantial amendment is needed. A substantial amendment results from making any changes, revisions, or updates to the approved budget and program plans, project scope/objectives, and any other materials specified in 2 CFR 200.308 exceeding the simplified acquisition threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget. In addition, the Federal Awarding Agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions, and activities for federal awards in which the federal share of the project exceeds the simplified acquisition threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal Awarding Agency.

EIERA defines a substantial amendment as a revision resulting in a 10% budget change or total dollar amount allocated or budgeted, or change in the use of approved funds, addition, or deletion of the approved program plan, or change in the purpose, scope, location, or beneficiaries of the approved program plan. The approved budget for the federal award summarizes the financial aspects of the project or program as approved during the federal award process. It may include the federal and non-federal share or only the federal share, depending upon the Federal Awarding Agency's requirements. The budget and program plans include considerations for performance and program evaluation purposes whenever required in accordance with the terms and conditions of the award or as otherwise directed by the Federal Awarding Agency.

F. Indirect Costs

In accordance with 2 CFR 200.414, EIERA manages indirect (i.e., Facilities & Administrative (F&A)) costs to ensure they are properly allocated and documented. Indirect costs are those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

Typical examples of indirect (F&A) costs may include depreciation of buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

Indirect costs will be allocated equitably across all award-funded programs, ensuring consistency and transparency in the distribution of costs. EIERA will maintain documentation to support the calculation and allocation methodology used for indirect costs. Indirect costs will be calculated as a percentage of the direct costs as determined by the de minimis rate.

It is the policy of EIERA to charge a de minimis rate of 15% of modified total direct costs (MTDC) for all applicable federal awards until such time that EIERA applies for and is approved for a Negotiated Indirect Cost Rate Agreement.

G. Participant Support Costs

In accordance with 2 CFR 200.456, EIERA commits to following the terms and conditions in the award agreement for participant support costs for items such as stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects. EIERA will obtain prior approval from the Federal Awarding Agency for allowable participant support costs (e.g., workplan approval).

H. Subrecipient Reporting

In accordance with 2 CFR § 200.332 (Requirements for Pass-Through Entities), EIERA will establish requirements for subrecipients to register and update their information, including executive compensation and unique entity identifiers, in the System for Award Management (SAM) on an annual basis. EIERA will maintain detailed records of SAM registrations, updates, and DUNS numbers (if applicable). Documentation must include dates of registration and updates, confirmation receipts, and any correspondence with federal agencies. EIERA will regularly monitor compliance with SAM registration requirements and update its registration annually, implementing internal controls to ensure that all required reviews and updates are completed on time.

Reporting Executive Compensation

Per 2 CFR Part 170, all recipients and subrecipients receiving \$25,000,000 or more in federal funding must comply with the Federal Funding Accountability and Transparency Act (FFATA). This information should include executive compensation and the federal award project description and should be reported in the FFATA Subaward Reporting System (FSRS) to ensure transparency and accounting over the use of federal funds.

Reportable executive compensation includes the total compensation for the top-five highest-paid executives of the subrecipient. Recipients and subrecipients must report the total compensation for their top five executives if in the preceding fiscal year:

- 1) Received 80% or more of its annual gross revenues from federal contracts, subcontracts, loans, grants, subgrants, and cooperative agreements; and
- 2) Received \$25,000,000 or more in annual gross revenues from federal awards; and
- 3) The public does not have access to this information through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934.

I. Financial Reporting

EIERA will comply with the Federal Awarding Agency's requirements in its internal reporting policy in compliance with 2 CFR 200.328 (Financial Reporting).

EIERA is committed to maintaining adherence to all applicable provisions specified in 2 CFR Part 200, including principles for financial management, internal controls, and compliance with federal statutes, regulations, and the terms and conditions of the federal award. EIERA will implement financial management systems and controls to ensure proper stewardship and oversight of the federal award.

J. Closeout Obligations

To ensure all financial, performance, and reporting obligations are met in a timely manner and facilitate the proper and timely closeout of the federal award in accordance with 2 CFR 200.344, and in accordance with the agreement, EIERA will close out federal awards within 120 days (or other applicable timeframe) from the date that the Federal Awarding Agency determines EIERA has completed all applicable administrative actions and required work of the federal award or as otherwise addressed in the award agreement, including terms and conditions.

EIERA will conduct an internal review of all closeout documents and reports to ensure completeness and accuracy. EIERA will verify that all closeout activities comply with 2 CFR 200.344 and any additional requirements specified by the terms and conditions of the federal award. EIERA will coordinate with the Federal Awarding Agency to certify that all closeout requirements have been met and that the final reports are accurate and complete.

Final Financial Report

EIERA will ensure all expenditures are recorded and reported accurately. Any unliquidated obligations and expenditures must be settled. To that end, EIERA will ensure that all financial obligations incurred under the federal award will be liquidated no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the federal award.

Details on these requirements and other relevant information to ensure proper closeout of the award are listed below. Please note that the following information is consistent with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([Uniform Guidance, 2 CFR 200](#)).

Other Reporting Requirements

In addition to the reports listed above, EIERA will submit a final inventory of all equipment purchased with federal funds, along with any disposition instructions from the Federal Awarding Agency.

K. Audit

Per 2 CFR § 200.501(a), EIERA will obtain a Single Audit from an independent auditor when it expends \$1,050,000 or more in total federal funds in a fiscal year. EIERA will make its audits public under the process described in 2 CFR § 200.512. EIERA will submit the Standard Form for Single Audit Collection (SF-SAC) and a Single Audit Report Package within nine months of the end of its fiscal year or 30 days after receiving the report from an independent auditor, whichever comes first. EIERA will submit its SF-SAC and a Single Audit Report Package using the Federal Audit Clearinghouse available at: <https://fac.gov>.

L. Record Retention

EIERA retains records on the state's network server and some in hard copy form as required by law and destroys them when appropriate. A hard copy of financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to grant awards are retained for a period of seven years or greater, which adheres to 2 CFR 200.334 – Record retention requirements.

EIERA performs an annual review of the records stored and identifies which records can be destroyed. A formal record of destruction is maintained on a permanent basis in a records destruction log.

Each EIERA employee has an obligation to notify the Executive Director of a potential or actual litigation, external audit, investigation, or similar proceeding involving EIERA that may have an impact on the approved records retention schedule. Failure on the part of employees to follow this policy can result in disciplinary action.

From time to time, the Executive Director may issue a notice, known as a “Legal Hold,” suspending the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings. No records specified in any Legal Hold may be destroyed, even if the scheduled destruction date has passed, until the Legal Hold is withdrawn, in writing, by the Executive Director.

If any litigation, claim, or audit is started before the expiration of the five-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. EIERA ensures that all records are accessible for audit or review by the Federal Awarding Agency or other authorized entities.

Section 5.0 Procedures

This document includes additional details specific to federal awards that EIERA needs to follow to comply with 2 CFR 200.

M. Receiving and Depositing Advance Payments

In compliance with 2 CFR §200.305-Federal Payments, EIERA will receive and deposit advance payments or other federal funds into an interest-bearing account. These procedures describe an approach that ensures the time elapsed between receiving the advance funds and dispersing them is minimized, usually within five business days, for the intended expenditure.

Upon receiving notification of an advance payment from the Federal Awarding Agency, EIERA will promptly acknowledge receipt. The advance payment details will be recorded in the FMS, including the following:

- Amount;
- Date Received; and,
- Award Number.

EIERA will obtain and maintain an interest-bearing account that meets the federal requirements regarding the use and maintenance of interest-bearing accounts. Upon receipt of advance payments, EIERA will deposit into the interest-bearing account within one business day of receipt. EIERA will maintain detailed records of the deposit, including the following:

- Date;
- Amount; and,
- Account Details.

To minimize time elapsed between receipt and disbursement, EIERA will coordinate timely disbursements to ensure they are used for intended expenditures within five business days of receipt. EIERA will ensure all expenditures are reviewed and approved promptly to facilitate quick

disbursement of funds. EIERA will continuously monitor the balance of the interest-bearing account. Disbursed funds, made within five business days for their intended purposes, will be adequately documented. EIERA will calculate any interest earned on the advance payments and remit any applicable interest to the Federal Awarding Agency as required by 2 CFR §200.305(b)(9). Financial reports submitted to the Federal Awarding Agency will report the use of advance payments and any interest earned.

N. Drawdowns

For subrecipient costs, EIERA will request funds on a reimbursement basis. EIERA will collect, review, and maintain documentation from subrecipients that verify that subrecipient costs submitted for drawdown is allowable, allocable, and reasonable.

Depending on the accuracy and completeness of invoices, the drawdown procedure typically takes 30 days unless EIERA or the Federal Awarding Agency requires additional supporting information. First, the subrecipient prepares invoices in accordance with the approved allowable cost procedure. Invoices are then submitted to EIERA. EIERA will review and consolidate invoices monthly. During review, EIERA checks invoices for eligibility and compliance, reaching out to subrecipients if additional information is needed. EIERA reviews and consolidates the drawdown request. All consolidated invoices will then be sent to EIERA for approval and submitted to the Federal Awarding Agency as a drawdown request.

The Federal Awarding Agency will then review invoices in accordance with their standard invoice review methodology. EIERA must respond to all Federal Awarding Agency requests for additional information and clarification. The Federal Awarding Agency review process typically lasts 15 days. Once an invoice is approved, the Federal Awarding Agency will make a payment to EIERA which typically takes 5 days. Upon receipt of payment from the Federal Awarding Agency, EIERA then will disburse funds to the appropriate subrecipients within five days.

Note: For program administrative costs and any other related costs not drawn in advance will be billed on a monthly or quarter basis.

Drawdown and Payment Request Supporting Documentation

Supporting documentation may vary on a case-by-case basis; therefore, information EIERA reviews may be modified upon further understanding of the required documentation. For financial assistance in loans or grants, an appropriate support form of documentation will be developed.

Invoice. Required invoice documentation will include, but is not limited to, the following information:

- 1) Vendor Name (i.e., Consultant, Contractor, etc.);
- 2) Brief Description of Service or Expense (e.g., design services);
- 3) Invoice Number;
- 4) Invoice Date;
- 5) Invoice Amount; and,
- 6) Cost Allocation.

Approved Invoice Reviews. Approved invoice reviews include, but are not limited to, the following validations:

- 1) Confirmation of signoff / approval of invoice;
- 2) Verification of appropriate support of invoice including timesheets, details of hours by person by day with titles and rates, details of equipment listing by day with associated employee, and support for other expenses and out of pocket costs;
- 3) Confirmation of dates of mobilization and demobilization are accurate; and,
- 4) Confirmation of crew size on arrival and departure is accurate.

Labor. EIERA will use the following procedures to validate the completion, accuracy, and reasonableness of drawdown and payment requests to support calculations of fringe benefits, timesheet logging, labor summaries, bargaining agreements, and proof of payment.

Fringe/Benefits Calculations. When calculating fringe/benefits for drawdown and payment requests, EIERA reviews will include, but are not limited to, the following validations:

- 1) The request provides sufficient detail to show the calculation for different types of costs (i.e., vacation, retirement, 401k, etc.);
- 2) The fringe / benefits costs differ for Standard (ST) and Overtime (OT);
- 3) The reasonableness of the ST and OT fringe / benefit amounts; and,
- 4) The fringe / benefits amounts are accurately calculated for ST and OT labor amounts.

Signed Timesheets. Signed timesheets reviews will include, but are not limited to, the following validations:

- 1) Confirmation that timesheets are included for each person performing work associated with the project;
- 2) Confirmation that timesheets are for hours by day; and,
- 3) Confirmation that timesheets include the appropriate signature.

Labor Summary Reviews. Labor summary reviews will include, but are not limited to, validations of the following:

- 1) The labor summary includes the following information:
 - a. Employee Name/ID;
 - b. Employee Title;
 - c. ST and OT hours by Day;
 - d. Description of Work Performed; and,
 - e. Hourly Rate by Employee.
- 2) The labor summary calculations of total hours per day do not exceed 24 hours per person or more than 20 hours per day for multiple days in a row;

- 3) The reasonableness of dates of work;
- 4) That timesheets are accurately reconciled; and,
- 5) Check that ST and OT costs are accurately calculated.

Bargaining Agreements. Union / labor / bargaining agreements reviews will include, but are not limited to, the following checks:

- 1) Confirm all agreements are provided;
- 2) Check terms in agreements and reconcile to hours and hourly rates captured for employees on labor summary; and,
- 3) Confirm any additional required costs are captured (i.e., payment for sleep/rest time/meals/etc. during disasters).

Proof of Payment Reviews. Proof of payment reviews could include, but is not limited to, the following checks:

- 1) Check for proofs of payments for all labor costs; and,
- 2) Reconcile amounts captured in labor summary to proofs of payment.

Equipment Reviews. Equipment summary reviews will include, but are not limited to, the following validations:

- 1) Confirmation that equipment summary reviews include:
 - a. Equipment reference/ID;
 - b. Hours by day;
 - c. Equipment operator/employee name or ID; and,
 - d. Hourly rate.
- 2) Reconciliation of equipment used to equipment listing to confirm the existence of equipment and the appropriate hourly rate.
- 3) Verification that equipment is not being used more than 24 hours per day.
- 4) Reconciliation of equipment hours per day with labor hours for the equipment operator (i.e., check to see if the equipment is being used longer than the operator hours for the day).
- 5) Reconciliation of Federal Awarding Agency codes for equipment and rates used to the Federal Awarding Agency equipment rates schedule (if Federal Awarding Agency rates are being used for the equipment).

Material Purchased. Procurement documentation (contract, purchase order (PO), etc.) reviews will include, but are not limited to, the following validations:

- 1) Confirmation that documentation for the contract or PO is consistent with contract terms covering purchase dates; and,
- 2) Confirmation that procurement documentation is consistent with subrecipients' procurement procedures, as appropriate.

For material purchased, EIERA will assess lists of materials reviews, expenditure documentation reviews, and proof of payment reviews. Each is described further below.

Lists of Materials Reviews. Review of lists of materials used will include, but are not limited to, the following checks:

- 1) Confirmation that documentation supports that materials were used for associated project (i.e., materials charged) (if available);
- 2) Confirmation that dates of materials used are appropriate given the timing of the project; and,
- 3) Validation of the calculation of the quantity used and price per unit for total materials cost.

Expenditure Documentation Reviews. Reviews should include, but are not limited to, the following checks:

- 1) Check quantity used is supported by quantity purchased through invoices or PO; and
- 2) Check pricing per unit from invoices or PO to price per unit on the summary of materials used.

Proof of Payment Reviews. Proof of payment reviews could include, but are not limited to, the following checks:

- 1) Check for the existence of all proofs of payment for materials used; and,
- 2) Reconcile price per unit from proofs of payment to summary of materials used.

Contractors. Contract / PO documentation reviews include, but are not limited to, the following validations:

- 1) Review of documentation to confirm contract or PO with contract terms covering dates of services;
- 2) Review of procurement documentation for consistency of subrecipient's procurement procedures, as appropriate;
- 3) Review of supporting procurement documentation such as RFP/solicitation with scope of work, vendor's proposal, pricing, and recommendation to award; and,
- 4) Review of the justification of award memo (if not competitively bid).

Procedures for review of contract and purchase order documentation include structured, standardized reviews of approved invoices, labor hours and rates, equipment hours and rates, meals, lodging, and other expense reviews, fuel charges, work performed, and proof payment. Each is described further below.

Labor Hours and Rates Reviews. Reviewers should test labor hours and rates with reviews including, but are not limited to, the following validation:

- 1) Confirmation that hours and rates tie between timesheets and summary sheets;
- 2) Verification of appropriateness of hours by day (i.e., more than 16 hours per day should be considered whether it is appropriate);
- 3) Review of appropriateness of titles for crew (i.e., all crew members should likely not be supervisors);

- 4) Comparison of titles and rates of pay to contract / PO; and,
- 5) Confirmation of application of ST and OT rates, including:
 - a. Confirming accurate calculations; and,
 - b. Checking terms in contract / PO for application.

Equipment Hours and Rates Reviews. Reviewers should test equipment hours and rates with reviews including, but are not limited to, the following validations:

- 1) Confirmation that hours and rates tie between timesheets and summary sheets;
- 2) Comparison of equipment listing and rates to contract / PO;
- 3) Comparison of equipment used to the number of employees daily – EIERA will check that more equipment is not charged than crew members per day, unless equipment does not need an operator or includes vehicle attachments; and,
- 4) Comparison of equipment hours to crew member labor hours per day – EIERA will validate equipment should not be charged for more than labor hours per day.

Meals, Lodging, and Other Expense Reviews. Reviewers should test meals, lodging and other expenses with reviews including, but are not limited to, the following validations:

- 1) When using per diem or daily rate, EIERA will:
 - a. Verification of rates against the contract / PO; and,
 - b. Confirmation that the meal amount for number of days invoiced and number of crew members is consistent – the daily amount should tie to number of crew members for each day worked.
- 2) When not using daily rates, EIERA will:
 - a. Review itemized receipts;
 - b. Comparison of expenses against expense limits in the contract / PO and assess the reasonableness of expenses (meals, lodging, materials, etc.); and,
 - c. Confirmation that the number of hotel rooms is reasonable for the number of crew traveling;
- 3) Verification that any expenses included on the hotel folios outside of lodging are reasonable;
- 4) Confirmation that locations for lodging and meal receipts are submitted and confirm location are reasonable based on travel (may need to consider home location of vendor for mobilization or demobilization charges);
- 5) Verification that no costs were charged for dates outside of invoice or performance period;
- 6) Verification that meal costs were reasonable for any meal expenses invoiced; and,
- 7) Identification and assessment of any other questionable charges, such as alcohol.

Fuel Charge Reviews. Reviewers should check fuel charges with reviews including, but are not limited to, the following validations:

- 1) Verification of fuels rates against contract / PO;
- 2) Review of itemized receipts;
- 3) Validation that no fuel expenses were invoiced for dates outside of invoice period – consider if fuel was provided by the subrecipient and may be duplicative;
- 4) Confirmation that locations for fuel receipts are reasonable based on travel (may need to consider home location of vendor for mobilization or demobilization charges); and,
- 5) Confirmation that no additional fuel is invoiced by the vendor (fuel already considered in Federal Awarding Agency equipment rates if Federal Awarding Agency equipment rates are invoiced).

Work Performed Reviews. Reviewers should track forms for contractors / signoff of work performed. Reviews include, but are not limited to, the following validations:

- 1) Confirmation of supervision of contractors for work performed and confirmation of hours incurred; and,
- 2) Assessment of crew members, hours, and dates to invoice charges.

Proof of Payment Reviews. Proof of payment reviews should include, but is not limited to, the following checks:

- 1) Check for all proofs of payment for contractor costs; and,
- 2) Reconcile proof of payment to invoices and amounts charged to project.

Other Costs (Non-Contractor). Procedures for review of documentation for other costs includes structured, standardized reviews of procurement documentation, expenditure documentation, and proof of payment. Each is described further below.

Procurement Documentation Reviews. Procurement documentation (contract, PO, etc.) include, but are not limited to, the following validations:

- 1) Verification that documentation covers purchase dates that are consistent with the contract or PO; and,
- 2) Assessment of procurement documentation for consistency with subrecipient's procurement procedures, as appropriate.

Expenditure Documentation Reviews. Expenditure documentation (invoices, PO, etc.) reviews include, but are not limited to, the following:

- 1) Confirmation that the quantity/item used is supported by quantity/item purchased through invoices or PO; and,
- 2) Comparison of pricing from invoices to contract or PO.

Proof of Payment Reviews. Proof of payment reviews include, but are not limited to, the following validations:

- 1) Assessment of proofs of payment for other costs incurred; and,
- 2) Reconciliation of pricing from proofs of payment to invoices or summary of other costs incurred.

O. Cost Allowability

As a recipient of a federal award, EIERA must ensure that all costs charged to a federal award adhere to the cost principles found in 2 CFR 200 Subpart E. EIERA also recognizes that federal rules and regulations apply to federal funds, as well as non-federal funds designated as matching funds for an award. Prior to making purchases, EIERA must check the accuracy of the cost and pricing information submitted and evaluate the necessity for proposed cost items. While a cost may be allowable under the cost principles and even allocable to the type of work performed, it may not be necessary for the specific federal award or overall federal award program. EIERA will validate costs during reimbursement requests as the Grant Manager validates, approves, or rejects costs before advancing for reimbursement.

P. Financial Reporting

Financial Statements

- 1) The procedures for submitting financial statements are as follows: The Fiscal Manager closes the general ledger within forty-five working days after the close of the month. The Fiscal Manager is responsible for balancing all cash accounts and recording all monthly transactions within the FMS.
- 2) The Deputy Director and/or the Executive Director are responsible for the monthly bank account reconciliations.
 - a. At each quarter end, the Fiscal Manager enters all transactions within 30 working days and submits the quarterly information to the CPA. The contracted CPA prepares all final quarterly adjustments and prepares the final quarterly financial statements.
 - b. The CPA also prepares the quarterly recurring entries that may include accrual entries for interest income on loans receivable, interest expense on notes payable, interest income on idle funds, accrued audit fees, prepaid insurance expense, and accumulated depreciation and amortization expense.
- 3) The CPA emails the final quarterly financial statements to the Fiscal Manager and Executive Director for final review.

Federal Financial Reporting

EIERA submits federal award financial reports to ensure compliance with federal regulations and proper reporting of award expenditures. The frequency of Federal Award Financial Report submittal can vary depending on the specific award program and the terms set forth in the award agreement. The FMS will report the accurate, current, and complete financial results of each federal award and/or program in accordance with reporting requirements in 2 CFR 200.328-329. The FMS system tracks revenues and expenditures and provides financial results separately for each project or program under the federal award.

The procedures for submitting federal financial reports are as follows:

- 1) The Fiscal Manager reviews the federal award agreement and any related documents to identify specific financial reporting requirements, deadlines, formats, and guidelines provided by the State Awarding Agency and the Federal Awarding Agency.

- 2) Based on the federal financial reporting requirements, the Fiscal Manager collects all the required financial data including the award expenditures and supporting documentation. EIERA maintains accurate and detailed accounts of all expenditures related to the award, using the FMS accounting system to track expenses by category (personnel, equipment, supplies, etc.).
- 3) The Fiscal Manager compiles invoices, receipts, payroll records, and any other documentation that supports reported expenditures into a financial data packet. The Fiscal Manager ensures all records are organized and easily accessible for reconciliation.
- 4) The Fiscal Manager verifies the federal financial reporting submission deadlines outlined in the award agreement to avoid penalties or issues with funding.
- 5) Upon completion of the compilation of the financial data packet, the completed financial packet is forwarded to the Deputy Director and/or Executive Director for review.
- 6) The Deputy Director and/or Executive Director evaluates the financial data packet and budget to determine if there are significant changes to the budget or information that needs to be included in the financial reporting package. If an update to the budget is necessary, the Deputy Director and/or Executive Director prepares a budget revision and obtains any required approvals.
- 7) If approval is provided, the Grant Manager submits the budget revision to the Federal Awarding Agency. If the request is not approved, the Deputy Director and/or Executive Director provides a rationale for Grant Manager consideration and resubmission.
- 8) The Federal Awarding Agency reviews the request to revise the budget and any supporting documentation and determines if the request is approved. If approved, the Federal Awarding Agency provides approval. If the revised budget request is not approved, a rationale is provided.
- 9) The Fiscal Manager updates the budget in the FMS accounting system and submits the budget revision documentation to add to the financial data packet.
- 10) The Fiscal Manager prepares the required EIERA federal financial forms for submission and submits to the Executive Director for review and approval.
- 11) EIERA submits the required federal financial forms to the Federal Awarding Agency, such as the Federal Financial Report (Form SF-425).
- 12) The Fiscal Manager completes a review of the financial reports and supporting documentation to ensure accuracy by cross-checking figures with internal financial statements.
- 13) If the Federal Financial Reports are not approved, they are sent to the Fiscal Manager to re-evaluate the financial forms and data and make corrections to the financial reports for resubmittal.
- 14) EIERA submits the federal financial reports to the Federal Awarding Agency electronically. EIERA completes the electronic submission of Federal Financial Reports through the designated systems (e.g., Grants.gov, the Payment Management System, or agency-specific systems) by following the submission procedures outlined by the relevant Federal Awarding Agency.
- 15) The Federal Awarding Agency provides confirmation of receipt of financial reports. If there are any questions or comments, the Federal Awarding Agency provides the information to EIERA.

- 16) The Fiscal Manager evaluates the questions and responds promptly, providing any additional documentation or explanations as needed.
- 17) Once comments are addressed, the Federal Awarding Agency provides confirmation of the federal financial reports.
- 18) EIERA receives confirmation that the Federal Financial Report has been submitted to the Federal Awarding Agency by checking the submission portal for acknowledgments. The Confirmation Receipt is retained in EIERA's financial reporting records. EIERA retains all financial reports and supporting documentation for the required period, typically seven years from the date of submission or the end of the award period, whichever is later, as mandated by federal regulations.
- 19) The Fiscal Manager ensures that all EIERA financial records are organized and readily accessible for potential audits. This includes having all documentation and previous reports available for auditing purposes.
- 20) At the end of the award period, the Fiscal Manager prepares and submits a final financial report for review and approval by the Executive Director, following the steps noted. Report aggregation and approval processes will be the same for the final Federal Financial Report.

Q. Closeout Obligations

EIERA will begin preparing for closeout at least three months (90 days) prior to the end of the period of performance of the federal award. EIERA will take the following steps.

- 1) Grant Manager will review the federal award terms and conditions and program policy requirements for closeout guidance.
- 2) The Fiscal Manager will review the federal award budget and forecast future expenses to be charged to the federal award and adjust any entries as needed.
- 3) The Fiscal Manager will direct any questions about closeout to the Federal Awarding Agency.
- 4) EIERA's Fiscal Manager will work with Subrecipients to inform them of the closeout requirements, as applicable. Subrecipients must submit closeout documentation to EIERA no later than 90 days after the end of the federal award period of performance, unless otherwise specified.

Once the end date of the period of performance has passed, EIERA has 120 days to complete the closeout process for the federal award. Three months (90 days) prior to closeout, EIERA will take the following steps.

- 1) The Fiscal Manager will submit the closeout documentation as required by the federal award agreement.
- 2) The Fiscal Manager will collect closeout documentation from Subrecipients and ensure that all forms received are filled out correctly. The Fiscal Manager will complete the necessary closeout documentation to provide to the Executive Director, for review.
- 3) If EIERA needs an extension to complete the closeout documentation, the Fiscal Manager will submit an extension request to the Federal Awarding Agency, in writing. The Federal Awarding

Agency will review the extension requests and determine if they will be approved on a case-by-case basis.

- 4) If the Federal Awarding Agency approves the request, confirmation will be provided, in writing. If the request is not approved, a rationale is provided.
- 5) The Fiscal Manager gathers the closeout documentation required under the federal award agreement and ensures that the forms are completed properly. If any issues are identified, input is provided to the End-Recipient, so they may resubmit.

One month (30 days) prior to closeout, EIERA takes the following steps.

- 1) The Fiscal Manager validates that all expenses charged to the federal award are accurate and are allowable, allocable, reasonable, and included in the approved project budget form. If the Fiscal Manager finds unallowable costs charged to the federal award, they must confer with the Executive Director and correct the forms.
- 2) The Executive Director verifies that the project has satisfied the terms and conditions set forth by the federal award.
- 3) The Fiscal Manager will complete and submit the final federal reporting forms to the Federal Awarding Agency in the manner prescribed in the terms and conditions.

R. Record Retention

EIERA maintains all records related to federal awards on a network server. In addition, hard copies of specified documentation are also maintained. EIERA ensures that all records are accessible for audit or review by the Federal Awarding Agency or other authorized entities. EIERA employees follow EIERA's records retention schedule.

The procedures for the records retention process include:

Hard Copy Record Storage

- 1) The EIERA prints some records onsite and physically retains 7 years of records in a physical filing cabinet system.
- 2) The Executive Board Secretary maintains a list of records and prepares a destruction log which includes:
 - a. Storage Box Number;
 - b. Description of Records;
 - c. Creation Date; and,
 - d. Destruction Date.
- 3) On an annual basis, the Executive Director determines which records should be scheduled for destruction.
- 4) The designated records are shredded.

Network Server Record Storage

- 1) EIERA retains some records on the state network server and retains these records for a minimum of 7 years.
- 2) The Fiscal Manager scans records and saves them electronically on the state network server.

S. Subrecipient Registration and Updates

EIERA's procedures for SAM registration and updates are critical for maintaining Subrecipient eligibility for federal funding and ensuring transparency and accountability in the use of federal funds. Subaward agreements will include requirements to maintain SAM registration.

SAM Registration

- 1) The Subrecipient will register in the System for Award Management (SAM) and will receive a unique entity identifier (UEI). This UEI is necessary for tracking and managing federal award disbursements. This registration must be completed before any federal funds are disbursed.
- 2) The Subrecipient and End Recipient will share the SAM registration and UEI with EIERA
- 3) The Subrecipient will review and update the SAM registration annually, ensuring all information is current and accurate. This is necessary to maintain active status. As part of this process, the Subrecipient will validate and update information, such as organizational details, executive compensation, and any changes in key personnel. The Subrecipient follows the instructions provided at <https://www.SAM.gov>.

Executive Compensation

Subrecipients must report total compensation for the five highest-paid executives if they meet the reporting thresholds specified by the FFATA. Executive compensation information must be reviewed and updated annually in SAM to reflect any changes.

Documentation Compliance

- 1) The Grant Manager informs the Subrecipient of their reporting documentation obligations under FFATA and provides guidance on how to report executive compensation.
- 2) The Grant Manager maintains a detailed record of SAM registrations and updates for each subaward within the respective subaward's documentation. Documentation includes:
 - a. Dates of registration and updates;
 - b. Confirmation receipts; and
 - c. Any correspondence with federal agencies.
- 3) EIERA regularly monitors subrecipients to ensure compliance with reporting requirements and assists with any issues related to the reporting process.

IV. PAYROLL

**Payroll
Policy & Procedures**

June 2025

Version 1

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Section 1.0 Overview and Purpose

The objective of this policy and procedures document is to outline the protocol and approach for the recording of time and the payment of salaries and benefits for the Missouri Environmental Improvement and Energy Resources Authority (“EIERA”) employees (hereafter referred to as “EIERA employees” for brevity). For the purposes of this document, payroll is defined as salary, fringe benefits, and any other remuneration, whether paid currently or accrued, for services rendered by EIERA employees. All individuals acting on behalf of EIERA in authorizing, managing, and administering a federal award must ensure adherence to the applicable timekeeping and payroll guidelines within this policy and these procedures.

Because EIERA uses employee time recordings as a basis for its federal and state reporting and reimbursement requests, inaccuracies in time recording could subject the organization and/or its employees to civil and criminal penalties. Delayed time recording can result in billing delays, negatively impacting EIERA’s cash flow and its ability to meet its financial obligations (e.g., accounts payable, payroll, etc.).

Additionally, as a recipient of federal funding, EIERA is required to follow these policies and procedures to be compliant with the applicable requirements of 2 CFR Subpart E, and shall apply them to all EIERA employees who are paid in whole or in part with federal funds. As such, this policy shall be interpreted in a manner that is consistent with 2 CFR 430-431 and any other salary, benefits, or payroll requirements of a federal award or law.

EIERA does not anticipate any personnel or fringe charges from operational and affiliate entities. If there are such charges, they will be submitted monthly utilizing a form subject to approval by EIERA.

These policies and procedures are inclusive of general federal grant requirements where applicable. The federal award grant agreement and terms and conditions should be referenced for specifics regarding the Federal Awarding Agency and Programmatic requirements.

Section 2.0 Definitions and Acronyms

1. **“CFR”** means Code of Federal Regulations and is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.
2. **“Domicile”** refers to the actual office of EIERA for Employees or the residence.
3. **“EIERA”** refers to the Environmental Improvement and Energy Resources Authority.
4. **“Federally Funded”** means that for all monies received directly from the federal government, the expenditure is administered through or under the direction of any agency/department.
5. **“Non-Federally Funded”** means funds provided by any source other than the federal government and includes state funding, fee revenues and debt proceeds.
6. **“PTO”** refers to paid time off.

7. **“Statewide Advantage for Missouri or SAM II”** is the current State of Missouri’s integrated financial, HR and payroll system.
8. **“Missouri Vital Enterprise Resource System or MOVERS”** is the financial, HR and payroll system that will replace SAM II in 2026.
9. **“Thomson Reuters Accounting CS Professional Suite”** is the accounting and financial system used to book payroll journal entries and prepare financial statements.

Section 3.0 Responsibilities

1. **EIERA Employees** – responsible for activities or functions of the federal award pursuant to the terms and conditions and program policy requirements. EIERA employees complete and submit a semimonthly timesheet that captures pro-rata allocations of time to each cost center, grant code, or project code.
2. **Executive Director** – reviews and approves employee timesheets.
3. **Fiscal Manager** – reviews and approves the Executive Directors’ timesheets and approves payroll within SAM II or MOVERS.
4. **Executive Board Secretary** – enters timekeeping data into the SAM II or MOVERS system.

Section 4.0 Policy

As a recipient of government funding, EIERA’s timekeeping and payroll policies must follow federal guidelines that govern timekeeping, compensation, and fringe benefits for EIERA employees. Time reporting is required for all hours worked, including internal or overhead work beyond those hours billable directly to the federal award, and any hours worked on a non-federally funded project.

EIERA’s Payroll Policy comprises the following items:

Types of Compensation: Employee compensation consists of both wages, including any incentive pay, and fringe benefits. The nature and amount of these benefits and any incentive compensation are established in EIERA’s employment agreements, benefits statements, and other related documents executed with EIERA employees.

For federal grants, EIERA uses the Missouri Department of Natural Resources’ fringe rate, which is calculated annually.

Salary and Wage Considerations: EIERA salaries and wages must be reasonable, per 2 CFR 200.430(b), and should consider the following:

- 1) Any incentive compensation paid to EIERA employees on the basis of cost reduction, efficient performance, etc., is allowable, per 2 CFR 200.430(f): “to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between EIERA and the employees before services were

rendered, or pursuant to an established plan followed by EIERA so consistently as to imply, in effect, an agreement to make such payment.”

- 2) EIERA applies salaries, wages, and benefits consistently to both federally and non-federally funded projects for the same labor categories.
- 3) EIERA’s Board of Directors does not receive a salary for their services but may receive reimbursement for travel and incidentals. Board members are allowed a \$25 per diem for board meetings and may also receive reimbursement of travel and incidentals. No other salary or wages are provided. EIERA’s Board of Directors is not required to submit timesheets.
- 4) Fringe benefits are allowable depending on the federal award’s terms and conditions and in compliance with (2 CFR 200.431(c)).

Details about EIERA’s paid and unpaid leave can be found in EIERA’s Employee Handbook.

Timekeeping: Timekeeping is the basis on which EIERA employees are paid and serves as a critical input to the reporting EIERA provides to its federal funding agencies. As such, it is critical that time is reported accurately. All hours worked, whether directly billable to a federal project, non-federal project, overhead task, or travel, should be captured in the employee’s timesheet. Some timekeeping considerations include:

Timesheet Coding. EIERA’s timekeeping system includes timekeeping codes for all critical projects and tasks, whether or not they are funded by federal awards. At a minimum, the EIERA timekeeping system should have distinct codes for:

- 1) Each Federal award;
- 2) Key non-federally funded activities;
- 3) Key overhead-related activities;
- 4) Different types of paid and unpaid leave as required by law and EIERA policy; and,

Hours worked away from the office out of state are recorded within the employee’s timesheet.

Timesheet Submission: Timesheets (Excel-based) must be submitted by applicable EIERA employees on a semimonthly basis, in alignment with EIERA’s pay period. Time off for each employee is tracked in SAM II or MOVERS and on the Excel-based timesheet. Entries for time off from the Excel timesheet are entered each pay period in SAM II or MOVERS. Reports are pulled each pay period from SAM II or MOVERS and compared to Excel timesheets for accuracy of accumulated sick and annual leave. Actual hours worked are not entered into SAM II or MOVERS. As part of the timesheet submission process, EIERA employees sign the timesheet, attesting that the reported time worked and project codes associated with that time are accurate to the best of their knowledge.

If an EIERA employee cannot complete their timesheet in EIERA’s timekeeping system, the timesheet approver may, in exigent circumstances, complete the timesheet on their behalf. The timesheet approver should fill in the proper cost code(s), confirming with the employee who worked the hours through available communication channels. An alternate timesheet approver should then review and approve the timesheet. However, once the EIERA employee can access the timesheet submitted on their behalf, they must review and sign the timesheet, including making any required corrections.

Timesheet Approval: Timesheets are processed twice per month, on the 15th and the final day of each month. At the end of the month, timesheets must be signed by the employee, then approved and signed by the Executive Director. The Executive Director's timesheet is approved by the Fiscal Manager or Deputy Director.

For every primary timesheet approver, there shall be at least one backup timesheet approver identified to ensure adequate coverage. If a timesheet approver is absent on a day that a timesheet needs to be approved, the absent timesheet approver should notify the backup timesheet approver to approve the time. Under no circumstances should an EIERA employee be able to approve their own timesheet.

Payroll Processing: EIERA uses SAM II or MOVERS as the payroll service provider. Payroll is processed bi-monthly. EIERA employees are paid the same amount each pay period by the SAM II or MOVERS payroll system no matter how many hours are worked. No time sheet submittal is necessary each pay period to SAM II or MOVERS unless there is a change in pay, removal, or addition of an employee. EIERA must transfer enough funds via Automated Clearinghouse (ACH) into their state fund 0654 to cover all payroll expenses each payroll. These funds need to be transferred via ACH per the dates verified on the semimonthly payroll schedule issued by SAM II or MOVERS. Employees are responsible for submitting, in SAM II or MOVERS, any changes to their employee profile, such as address, banking information, personal information or tax information. All changes and corrections must be submitted to accounting one week prior to the next scheduled pay date. Withholding shall be made for federal (including Social Security and Medicare withholdings), state and local taxes, as applicable. Payment will be made by electronic funds transfer (EFT) to one or more qualifying financial institution accounts of choice for each EIERA employee.

Record Retention: EIERA shall maintain payroll records for a period of five years from the date of submission of the final expenditure report in accordance with 2 CFR 200.334 and EIERA's Records Disposition Schedule.

Section 5.0 Procedures

Complete Timesheet

- 1) The employees enter their time in an Excel spreadsheet semimonthly to align with EIERA's pay periods.
- 2) When entering time, employees must use the corresponding project code and log time for the federally funded project time worked.
 - a) Input Leave – Leave hours taken for PTO, holidays, and sick days.
 - b) Pay type Summary – Summary of hours on timesheet by pay type.
 - c) Location Code – Official domicile is automatically captured within the SAM II or MOVERS system.

Submit Timesheet

- 1) Once time is entered, the employee saves the timesheet.

- 2) When all hours worked for that pay period have been logged, the EIERA employee signs and submits the timesheet to the Fiscal Manager who reviews the total hours worked, that all hours are assigned to a pay type.
- 3) After the Fiscal Manager has reviewed all the timesheets and returned any for needed corrections, the timesheets are given to the Executive Board Secretary to enter the paid time off into the SAM II or MOVERS system.
- 4) After the Executive Board Secretary makes the entry into the SAM II or MOVERS system, the timesheets and entry are returned to the Fiscal Manager to review and verify that all PTO hours were entered correctly. The Fiscal Manager enters the time for the Executive Board Secretary into the payroll system.
- 5) At month end, all timesheets are reviewed and signed by the Executive Director. The review includes verification of accuracy of the assignment to pay types. By signing the timesheet, the employee certifies that the reported time worked and project codes associated with that time are accurate to the best of their knowledge.
 - a) If an error is made in recording time, corrections to timesheets must be made as soon as the error is realized. The Fiscal Manager or Executive Board Director will process the timesheet corrections and include a clear and concise reason for the revision. If the timesheet was previously approved, it will then be re-approved by the Executive Director.

Approve Timesheet

- 1) The Executive Director reviews the timesheets at the end of the month and approves them by signing each timesheet within 2-3 days of employee's submission. The Executive Director reviews all hours entered to confirm that the total number of hours per pay period is accounted for, they are allocated to the appropriate project, and that any PTO and other time is not directly charged to the federal award.
- 2) If the timesheet approver is not available to sign the timesheet, the review and approval are conducted by a backup timesheet approver.
- 3) If an error is made in recording time, whether identified by the Executive Director or by other validations, including the review by the Fiscal Manager, the timesheet is rejected and returned to the Executive Director to correct the timesheet as soon as the error is identified. After completing the timesheet corrections, employees will enter a clear and concise reason for the revision. The Executive Director must then re-approve the timesheet.
- 4) At the end of the pay period, the Fiscal Manager confirms that the timesheets have been approved. If any follow-up is necessary, the Fiscal Manager reaches out to the applicable employee.

Process Payroll

- 1) Once timesheets are approved and payroll has processed in SAM II or MOVERS, the Fiscal Manager generates detailed reports of the payroll information from SAM II or MOVERS. The Fiscal Manager creates journal entries from the payroll reports and enters them into the Thomson Reuters Accounting CS Professional Suite system (ACS Accounting). Payroll is systematically funded through EIERA's Fund 0654, with the State of Missouri. After payroll runs, the balance in

Fund 0654 in SAM II or MOVERS is compared to EIERA's state bank account, in ACS Accounting, to verify the journal entries entered into ACS Accounting for payroll are accurate.

- 2) The payroll detail register is systematically generated when payroll is processed through SAM II or MOVERS.
- 3) Employees receive payment by electronic funds transfer (EFT) based on the instructions provided for payment, which could be one or more qualifying financial institution accounts of choice provided by the employee.
- 4) Once the payroll process is complete, an electronic copy and a hard copy of the payroll report is printed and stored in a secure file cabinet.

V. TRAVEL

Travel

Policy & Procedures

June 2025

Version 1

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Section 1.0 Overview and Purpose

The objective of these policies and procedures is to implement oversight and standardization of engaging in and approving travel activities conducted by the Missouri Environmental Improvement and Energy Resources Authority (“EIERA”). The EIERA Board, employees (direct and leased), and contractors (hereafter referred to as “EIERA employees” for brevity) are expected to exercise prudence and choose cost-effective options when planning and conducting travel. All personnel acting on behalf of EIERA in authorizing, managing, and administering a federal award must ensure adherence to the applicable guidelines within this document.

As a recipient of federal funding, EIERA is required to remain compliant with FAR 31.205-46 (governing federal contracts) and 2 CFR 200.475 (covering federal grants). The provisions contained within this document should be interpreted at all times in a manner that is consistent with FAR 31.205-46 and 2 CFR 200.475.

This policy and these procedures are inclusive of general federal grant requirements where applicable. Please reference the federal award grant agreement and terms and conditions for specifics regarding the Federal Awarding Agency and Programmatic requirements.

Section 2.0 Definitions and Acronyms

1. **“Board”** means the Environmental Improvement & Energy Resources Authority governing board.
2. **“CFR”** means Code of Federal Regulations and is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.
3. **“Domicile”** means the actual office of EIERA for employees or the residence.
4. **“EIERA”** means the Missouri Environmental Improvement and Energy Resources Authority.
5. **“FAR”** means the Federal Acquisition Regulations.
6. **“Federally Funded”** means that for all monies received directly from the federal government, the expenditure is administered through or under the direction of any agency/department.
7. **“FY”** means fiscal year.
8. **“GSA”** means U.S. General Services Administration.
9. **“M&I expenses”** means meals and incidental expenses.
10. **“Non-Federally Funded”** means funds provided by any source other than the federal government and includes state funding, fee revenue and debt proceeds.
11. **“POV”** is a privately owned motor vehicle not owned by the Government and used by an EIERA employee for the primary purpose of providing personal transportation.
12. **“Residence”** or **“Resident City”** means the city or town in which the EIERA employee has their primary abode or dwelling place.
13. **“Statewide Advantage for Missouri or (SAM II)”** is the current State of Missouri’s integrated financial, HR and payroll system used for travel reimbursement.

14. **“Missouri Vital Enterprise Resource System or MOVERS”** is the financial, HR and payroll system that will replace SAM II in 2026. **“Thomson Reuters Accounting CS Professional Suite”** is where the journal r entries are made.

Section 3.0 Responsibilities

1. **EIERA Board Members** – attend regularly scheduled Board Meetings for the purpose of strategic planning, financial management, fiduciary responsibilities, legal compliance, decision making/voting, and appointing leadership.
2. **EIERA Staff** – responsible for EIERA activities or functions of the federal award pursuant to the terms and conditions and program policy requirements.
3. **Executive Director** – reviews and approves travel expenses for EIERA employees.
4. **Deputy Director** – reviews and approves the EIERA Board and Executive Director travel expense reports.
5. **Fiscal Manager** – reviews the approved EIERA employee travel expense reports and gives them to the Executive Board Secretary to enter into the SAM II or MOVERS system for payment. Fiscal Manager does final approval of travel expense reports in SAM II system. After the travel expenses are paid through the SAM II or MOVERS system, the Fiscal Manager enters the travel expenses into the Thomson Reuters Accounting CS Professional Suite system.
6. **Executive Board Secretary** – prepares board member travel expense reports and enters expense reports into SAM II or MOVERS for EIERA board members and employees.
7. **Federal Awarding Agency** – maintains oversight of EIERA’s award and verifies compliance with all federal requirements and regulations.

Section 4.0 Policy

This Policy outlines the business-related expenses EIERA approves, the limitations on the expenses, and the procedures for paying or obtaining reimbursement for the expenses for both federally funded and non-federally funded programmatic work and business operations.

When an EIERA employee must perform job duties away from their normal work office location, EIERA will pay or reimburse the EIERA employee for the actual costs of round-trip transportation to a location other than their normal work office location, lodging when the EIERA employee is required to stay at another location overnight, meals during the period of business-related travel, and other reasonable costs associated with business-related travel. EIERA may also pay or reimburse for approved job-related conference fees and professional membership fees.

Travel expenses may be based on per diem, actual expenses, or a combination thereof, provided the method used results in a reasonable charge. As a recipient of federal funding, EIERA will remain compliant with 2 CFR Part 200, Subpart E provisions on travel and reimbursement for travel, as well as other applicable sources of law. The provisions contained within this document should be interpreted in a manner that is consistent with 2 CFR 200.475 to enable EIERA to comply with federal regulations governing travel expenses paid from federal awards. All federally funded travel-related costs must also be properly allowable and allocable in accordance with FAR. Any costs that exceed

the federal per diem or are identified as unallowable travel cost will not be eligible for reimbursement of the federal award unless it meets all requirements for qualifying special or unusual situations outlined in and has received prior approval by EIERA.

The following guidelines are components of this policy:

- **Authorization and Approval.** All travel must be pre-approved by the Executive Director, even if no advance funds are requested. Travel requests should (1) include a clear justification for the travel; (2) provide an estimated cost broken down by categories of expected expense (e.g., air travel, lodging, rideshare, parking, etc.) and outcomes; and (3) identify the federally funded or non-federally funded project.
- **Reasonable and Necessary Costs.** Travel costs are considered reasonable and necessary when 1) they do not exceed the amounts normally allowed by federal travel regulations or state of Missouri travel policy; and 2) are directly related to the business purposes of EIERA and/or the federally funded project. This is in accordance with FAR 31.205-46(a) and 2 CFR 200.475(a). Costs for lodging, meals, and incidental expenses may be based on actual cost, per diem, or a mileage basis in lieu of actual costs, or actual expenses, or a combination thereof, provided that the method used is applied consistently throughout the entire trip and results in reasonable and necessary amounts set forth by GSA per 2 CFR 200.475(a). It is the employee's responsibility to demonstrate that the expenses incurred or approved are reasonable and necessary.
- **Reimbursement.** The EIERA employee's Purchasing Card is the preferred method of payment for travel by EIERA employees and should be used to pay travel expenses which can be arranged or paid in advance with a credit card such as lodging, registrations, airfare, and rental cars under the state contract. Collision damage coverage is provided through the state rental contract with the rental car company.

EIERA employees can use personal funds to pay all other travel expenses and can then submit their expenses via the Expense Reimbursement Report process described below.

4.1. Business Related Travel and Professional Development Expense Policy Guidance

EIERA maintains the following travel policies for expenses allowable with federal funds and with non-federal funds. The following policy guidelines apply to business-related travel and professional development expenses:

1) General

- a) All travel charged to a federal grant must be reasonable, necessary, and directly related to the grant's scope of work. International travel is typically not allowed under a federal award.
- b) When booking transportation, EIERA employees should consider the most economical mode of travel and the direct route. Reimbursement will be based on the most reasonable and economical means of transportation.
- c) Book directly with carriers and hotels and third-party carriers when possible.
- d) EIERA employees should use an economic means of travel and book travel as soon as feasible to take advantage of special discounts and should generally not exceed the GSA per

diem rate which can be found at <https://www.gsa.gov/travel/plan-book/per-diem-rates>, where possible.

- e) Travel costs charged to a federal grant must not exceed charges normally allowed under this Policy. Nonstandard costs may be approved for non-federally funded travel; exceptions must have sound business justification and be approved by the Executive Director before booking (e.g., upgrades, rates in excess of per diem, and additional expenses).
- f) For federally funded travel, if there is a conflict between EIERA's reimbursement guidelines in this Policy, and 2 CFR 200.475, the guidance in 2 CFR 200.475 will be followed.
- g) Receipts will be required to document expenses for which reimbursement is requested with the exception of meal per diem.
- h) If an EIERA employee opts to extend their trip for personal reasons, they are responsible for any additional costs due to the extended stay, including increased fares/hotel charges.
- i) The Executive Director must approve all business-related travel in advance. Staff should submit a short business justification, trip dates, and an estimated budget of expenses via email to the Executive Director for approval.
- j) EIERA employees should use their assigned EIERA Purchasing Card when possible.

2) Lodging

- a) EIERA will pay for or reimburse hotel and lodging expenses for business purposes when staying away from home as necessary for the performance of official business.
- b) Every EIERA employee is expected to choose lodging that is reasonably priced and meets the standards for safety and comfort when traveling. Travel costs incurred for lodging will be charged and reimbursed at the single room per diem at the rate set forth by GSA, which can be found at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Daily rates should not exceed the GSA local per diem rate.

Travelers are expected to select the location, type, and cost of lodging that best meet the needs of the EIERA and the work requirements. In areas where comparable accommodations are available at significantly different prices, the traveler should seek prior approval before selecting higher-priced lodging and document the reason(s) for selecting the higher-priced lodging. Key issues that determine hotel acceptability include price, safety, and convenience. Exceptions may be approved by the Executive Director when reasonable accommodations are not available at the local per diem rate. Upgrades can be made at the EIERA employee's expense.

- c) Hotel arrangements should be made in advance to avoid surcharges or increased fees.
- d) EIERA employees are expected to obtain tax-exempt, government rates whenever possible.
- e) Lodging expenses will be reimbursed only for those days on which an employee is required to be at such destination to conduct EIERA business, and when necessary, due to travel distance/time, for the day before or after such employee is to conduct such business. No employee shall be allowed hotel expenses while in the city of his/her official domicile or residence, except reimbursement may be made if the expense is incurred as part of an EIERA-required meeting.

3) Transportation – Ground Travel to/from Board Meeting

- a) For Board members using their personal automobile to travel to and from a board meeting, EIERA will pay mileage at the current State mileage rate.

4) Transportation Ground Travel - Personal or Rental Car

- a) When an automobile is the most economical means of travel, EIERA will pay or reimburse the EIERA employee for the actual cost of a rental car and fuel expenses. EIERA employees should arrange to rent vehicles through the State of Missouri's rental contract.
- b) EIERA employees should use an EIERA Purchasing Card for automobile rentals, rent in the company's name, and decline collision and liability insurance (as it is provided for within the State of Missouri's rental car contract).
- c) When EIERA employees travel together, they are encouraged to share one vehicle (up to four individuals per vehicle).
- d) When an automobile is the most economical means of travel, and the EIERA employee chooses to use their automobile, EIERA will reimburse the EIERA employee for mileage

EIERA employees choosing to use their personal vehicles will be reimbursed the lesser of the State mileage allowance for the trip or the total cost of a rental car (including rental fees and taxes, insurance and fuel); however, recognizing the time involved in obtaining and returning a rental car, should the State mileage rate exceed the total cost of rental by no more than \$25.00, the full State mileage allowance may be claimed. When traveling by automobile, other expenses such as charges for bridge and turnpike use and parking charges will be allowed. Mileage reimbursement for the official use of a private motor vehicle may be claimed within the official domicile.

- e) The routing of each trip for personal vehicle mileage computation shall be by the most commonly traveled route unless unusual circumstances warrant other less direct routes and rounded to the nearest whole mile.
- f) An employee whose residence is in some other place than their official domicile shall not be allowed expenses for traveling to and from the said residence and the official domicile. The mileage computation for any trip shall be to and from the official domicile unless the trip originates or ends at the employee's city of residence, and the mileage therefore is less than the distance from the official domicile; in which circumstance, the mileage computation shall be from the employee's residence.
- g) When more than one person travels in the same automobile, only the owner of the vehicle, if otherwise eligible to be reimbursed for expenses, shall be allowed mileage.
- h) Parking and toll fees will be reimbursed based on the full cost and must be accompanied by a receipt.
- i) Any EIERA employee who is involved in an accident while traveling on EIERA business must promptly report the accident to their manager as well as the proper legal authorities.
- j) To maintain safety standards, all staff who are driving on EIERA business rented vehicles are prohibited from communicating on any handheld device while driving consistent with Missouri's "Hands Free Law." This includes talking, texting, and/or web browsing.

- k) EIERA expects that all EIERA employees will follow all applicable laws, including not driving under the influence.

5) Transportation Ground Travel - Rideshare Services, Taxi, etc.

- a) EIERA will pay or reimburse business-related ground transportation expenses, such as taxis, rideshare services, shuttles, etc., when traveling outside their normal office location. Travel by other allowable ground transportation (train, metro, bus) may also be reasonable and allowable, depending on availability, comparative cost, and whether there are any alternative types of transportation offered.
- b) Eligible ground transportation purposes include travel to or from the airport, to get a meal, and to or from meetings away from the employee's hotel. Tips for ground transportation should be included as part of the cost of the service.
- c) An economical rideshare option should be used. Individuals should do their best to avoid surge pricing when possible and check whether a different class of service would accommodate a large group of EIERA employees, rather than making multiple bookings during a period of surge pricing.

6) Transportation - Air Travel

- a) When required to travel by air or train for business, EIERA will pay for or reimburse an economical means, including seat and flight options, considering the duration and timing of flights, or another business justification.
- b) Air travel funded by federal funds is required to comply with the Fly America Act, 49 U.S.C. 40118, which requires that air travel and cargo transportation services funded by the federal government use a "U.S. flag" air carrier service.
- c) Reimbursement for air travel shall be made at rates not to exceed the cost of economy class airfare for the most advantageous available route. When determining the most advantageous flight, weather, time, overall expense, connecting flights, and layovers shall be considered.
- d) Flying Business or First-class is not permitted unless an EIERA employee uses their own money or airline rewards to purchase such a ticket or upgrade from an Economy-class ticket. Per 2 CFR 200.475(c), airfare costs funded by federal funds exceeding the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:
 - i) Require circuitous routing;
 - ii) Require travel during unreasonable hours;
 - iii) Excessively prolong travel;
 - iv) Result in additional costs that would offset the transportation savings; and/or,
 - v) Offer accommodations not reasonably adequate for the traveler's medical needs.

In the event an upgrade is required based on the above factors and consistent with factors noted under 2 CFR 200.475(e), such conditions must be properly justified and documented.

- e) EIERA will pay or reimburse for the cost of one checked bag on a business trip.

- f) EIERA will pay or reimburse the cost of Wi-Fi for employees who work during a business trip when complementary Wi-Fi is not available.
- g) Travel in private or non-commercial aircraft or trains is not eligible for reimbursement.

7) Meals

- a) EIERA will pay for or reimburse meals during business travel, meetings, and EIERA-sponsored events. EIERA will not pay or reimburse for meals during an event where a meal is provided unless there is a special dietary requirement.
- b) Employees may claim the GSA per diem rate for each eligible meal which can be found at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Tips on meals are part of the per diem amount and may not be claimed separately. Meal per diems are based on the destination city. Exceptions may be approved by the Executive Director for non-federal funded travel with proper justification.
- c) EIERA will not pay for or reimburse the purchase of alcohol.
- d) When in overnight or twelve-hour travel status and conducting state business, employees may claim the meal per diem for those meal times where it is documented that no meal was provided. If the employee has dietary restrictions or other unique circumstances, an exception can be made by the Executive Director or designee with sufficient explanation provided on the expense account. An eligible meal is defined as follows:
 - Breakfast – on the day of departure if travel status begins no later than 7:00 a.m. plus any other day until the employee returns.
 - Lunch – on the day of departure if travel status begins no later than 10:00 a.m. plus any other day where travel status continues past 2:00 p.m. until the employee returns.
 - Dinner – on the day of departure if travel status begins no later than 5:00 p.m. plus any other day where travel status continues past 7:00 p.m. until the employee returns.
 - Alternate work shifts – If an employee's assigned work schedule is considered a non-standard work shift, with supervisor approval, the travel status must start two hours before the work shift begins for breakfast eligibility, and end two hours after the work shift for dinner eligibility.

Early departure and/or late return must be noted on the expense report for all trips (12-hour travel status and overnight travel) if meals are being claimed. To qualify for meal reimbursement when no overnight lodging is indicated, the employee must document on the expense report that they were in travel status for twelve (12) hours or more.

8) Agency Provided Food

With approval of the Executive Director, EIERA may pay for meals served in conjunction with agency required meetings attended by officials or state employees. See SP-5, Agency Provided Food at https://oa.mo.gov/sites/default/files/agency_food.pdf.

9) Professional Memberships and Dues

- a) EIERA encourages regular full-time EIERA employees to join professional associations and will pay or reimburse EIERA employees for the cost of professional membership that are related to their job duties, subject to funding availability and manager approval. EIERA evaluates each request individually. EIERA reserves the right to limit the number of memberships it will pay or reimburse an EIERA employee.

10) Miscellaneous Expenses

An employee may request reimbursement for reasonable and necessary business expenses they actually incur related to travel, including but not limited to:

- Tips for baggage handling or hotel housekeeping.
- Incidental expenses such as postage, small emergency supplies, work-related cost for use of the hotel telephone, internet, fax, and other like charges when necessary for transacting state business while traveling. Proof of payment must be attached to the employee's expense report.

Expenses incurred for the employee's sole benefit, such as any type of insurance, Individual Business Travel Card late payment fees or finance charges, hotel charges for use of the safe, travel loan finance charges, personal credit card fees or dues, entertainment such as television or movie charges, bar bills, fitness membership fees, extra meals or snacks, bulk food/beverage purchases, newspapers, magazines and other like charges are not allowed as reimbursable travel expenses.

11) Other Job-Related Expenses

- a) EIERA employees may request payment or reimbursement with non-federal funding for other expenses not described in this policy that they believe to be job-related. Reimbursement for other expenses is at the discretion of the Executive Director.

Section 5.0 Procedures

EIERA Board members and Employees must follow the established practices and procedures below to determine the best manner of booking travel and lodging and reporting travel and business expenses to ensure compliance with EIERA and Federal Guidelines.

The Travel and Business expenses process includes:

- Travel Authorization and Determination of Necessity;
- Booking Travel and Determination of Reasonable Costs; and,
- Documentation and Reimbursement.

5.1. Travel Authorization and Determination of Necessity

EIERA employees should ensure that any travel expenses are consistent with this Policy and any travel under the federal award is identified as part of the scope of work.

- 1) All business travel must be authorized prior to travel by the Executive Director. Regardless of position, no EIERA employee may approve their own travel authorization reimbursement. The

EIERA employee submits a travel authorization request prior to booking. The travel request must be in writing and specify the following:

- a) Date and place (city, town, or other similar designation) of the expenses;
 - b) Purpose of the trip;
 - c) Estimate of travel costs, including GSA per diem for the city of travel; and,
 - d) Any required justifications and approvals to deviate from the default travel rules (e.g., upgrade, deviation from per diem rate for meals and incidentals, lodging, mileage, etc.).
- 2) The Executive Director reviews the travel authorization request and determines if travel is necessary. As part of the review, the Executive Director also confirms that travel expenses to be charged to a federally funded program are allowable and are available in the grant.
 - 3) If travel is approved, the Executive Director provides confirmation to the EIERA employee. If travel is not approved, the Executive Director provides justification to the EIERA employee.

5.2. Booking Travel and Determination of Reasonable Costs

- 1) The EIERA employee books travel, considering that travel expenses are reasonable, allowable, and acceptable per Section 4.

5.3. Documentation and Reimbursement of Out-of-Pocket Expenses

- 1) The EIERA employee books travel and retains relevant travel receipts for all expenses. Once travel is completed, the EIERA employee completes a travel Expense Reimbursement Report, with an itemized list of expenses and costs accompanied by receipts for out-of-pocket expenses.
- 2) The EIERA employee completes the travel Expense Reimbursement Report, identifies the non-federal funding or federally funded project for which funds should be reimbursed, attaches the expense approval or travel notification, attaches any necessary receipts, signs the travel Expense Reimbursement Report, and submits it to the Fiscal Manager for review and approval. Expense Reimbursement Reports must be submitted at least once a quarter, except for the end of the fiscal year. All end-of-the-FY expense reports must be submitted by July 15th.
- 3) The Fiscal Manager reviews Expense Reimbursement Reports for EIERA employees. The Fiscal Manager shall review expenditures, confirm receipts are attached to the expense report, and ensure that costs are allowable, allocable, and reasonable and in compliance with the applicable grants/projects for which travel was incurred. The Fiscal Manager shall also confirm that travel costs claimed and billed are associated with the correct specific federally funded project or non-federal funding source of funds. If the travel expense request is not approved, the Fiscal Manager provides feedback to the EIERA employee to resubmit.
- 4) Members of the EIERA Board send expense details and receipts to the Executive Board Secretary. The EIERA's Board Secretary prepares the board member's Expense Reimbursement Report and submits to the Fiscal Manager to process.
- 5) The Deputy Director reviews the Executive Director's Expense Reimbursement Reports and associated travel expenses before reimbursement is made to the Executive Director. The Executive Director Travel Approver reviews expenditures, confirms receipts are attached to the

expense report, and ensures that costs are allowable, allocable, and reasonable before reimbursing those expenses.

- 6) Once the Fiscal Manager provides final approval for the EIERA employee's travel expenses, the payment will be processed. If the EIERA employee did not use an EIERA Purchasing Card, they will receive the travel reimbursement using SAM II.
- 7) Once the travel expenses are submitted and paid through SAM II, the Fiscal Manager uploads the data into the Thomson Reuters Accounting CS Professional Suite.

VI. EQUIPMENT

Equipment Policy & Procedures

June 2025

Version 1

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Section 1.0 Overview and Purpose

The objective of this policy and procedures document is to provide clear and comprehensive guidelines for managing equipment and property at the Missouri Environmental Improvement and Energy Resources Authority (“EIERA”). Equipment refers to any tangible property purchased through federal funds with a useful life of one year or more and a unit acquisition cost that is equal to or exceeds \$10,000.

This document primarily addresses policy and procedures for the management of and inventory control over this equipment. All individuals acting on behalf of EIERA in authorizing, managing, and administering a federal award have the responsibility to ensure adherence to the applicable guidelines within this document.

As a recipient of federal funding, EIERA is required to remain compliant with 2 CFR 200, Subpart D – Property Standards (200.310 – 200.316), with a particular emphasis on 2 CFR 200.313 (Equipment). These policies and procedures apply to the proper management of equipment funded by a federal assistance grant.

These policies and procedures are inclusive of general federal grant requirements where applicable. EIERA should refer to the federal award grant agreement and terms and conditions for specifics regarding the Federal Awarding Agency and Programmatic requirements.

Section 2.0 Definitions and Acronyms

1. **“CFR”** means Code of Federal Regulations and is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.
2. **“EIERA”** means Missouri Environmental Improvement and Energy Resources Authority. EIERA is the recipient of federal funding for the purposes of this policy and procedures document.
3. **“FAR”** means the Federal Acquisition Regulations.
4. **“Federally Funded”** means that for all monies received directly from the federal government, the expenditure is administered through or under the direction of any agency/department.
5. **“Non-Federally Funded”** means funds provided by any source other than the federal government and includes state funding, fee revenue and debt proceeds.
6. **“Thomson Reuters Accounting CS Professional Suite”** is the accounting and financial system used to book payroll journal entries and prepare financial statements.

Section 3.0 Responsibilities

1. **EIERA Employee** – uses and maintains equipment and is employed by EIERA (direct and leased) or an affiliate of EIERA.
2. **Federal Awarding Agency** – will maintain oversight of EIERA’s award and verify compliance with all federal requirements and regulations.
3. **Fiscal Manager** – manages the equipment procurement process and investigates possible wrongdoing related to loss, damage, or theft of property. Is responsible for the enforcement of EIERA’s Procurement Policy and updating the accounting system for equipment changes.
4. **Executive Director** –reviews and approves the purchase of equipment and supplies using grant funds. Oversees EIERA’s activities or functions around information technology (IT) equipment and inventory. provides approval for decisions about disposition of property.
5. **Grant Manager** –Works with ITSD and the Fiscal Manager to ensure that all Procurement Policies are followed. Confirms that the disposition of equipment and supplies meets federal guidelines.
6. **Missouri Office of Administration’s Information Technology Services Division (ITSD)** – conducts EIERA’s activities or functions around information technology (IT) equipment purchasing, set-up, maintenance, title, use, and disposition.

Section 4.0 Policy

EIERA must follow established policies and guidelines for acquiring or improving equipment for its work with federal funds. EIERA adopts guidance from 2 CFR 200.313 for equipment acquired or improved with a federal award.

ITSD serves as the primary point of contact for Information Technology (IT) equipment. EIERA staff serve as the primary point of contact for procuring supplies and other property and equipment. Real estate or large property purchases are excluded from this policy. ITSD will determine the specification of the IT equipment, research, and document costs to ensure the best value for purchases.

Upon purchasing supplies greater than \$10,000 in value, the Fiscal Manager maintains an inventory list reconciled annually for insurance and accounting purposes.

The following guidelines are components of the standard equipment of this policy:

- **Employee Supplies.** In-office equipment typically includes a desk phone, two monitors, a docking station, an external mouse and keyboard.
- **Cell Phone.** EIERA currently does not provide staff with EIERA cell phones.
- **Laptops/Computers.** EIERA replacement cycle a minimum of 60 months for laptops unless there is a significant IT challenge.

- **Other Equipment.** EIERA provides other supplies necessary for staff to perform their specific job requirements on a case-by-case basis that is justified, and expenses are reasonable.

The following guidelines are components of this policy to guide the acquisition, use, management, and disposition of equipment:

- 1) **Procurement.** To procure federally funded equipment, EIERA will follow the Procurement Policy to ensure that (1) all purchases are eligible and necessary under the grant, (2) an analysis of lease and purchase alternatives is performed, and (3) the proper procurement process for soliciting goods and services is followed.
- 2) **Allowability.** Costs to acquire or improve real property, including related equipment purchases, are allowable with the prior approval of a Federal Awarding Agency Official. As provided in 2 CFR 200.316, the Federal Awarding Agency will require that grantees record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a federal award, and the use and disposition conditions described in 2 CFR 200.311 and 2 CFR 200.313 apply to that property.
- 3) **Equipment.** Management of capitalized equipment (with a purchase price greater than \$10,000) will comply with 2 CFR 200.313 for the useful life of the equipment. EIERA must ensure that federally funded equipment is used by EIERA with the following order of priority:
 - a) The program or project for which it was acquired, as long as needed, whether or not the project or program continues to be funded by a federal award;
 - b) Activities under a federal award from the federal agency that funded the original project; and
 - c) Activities under a federal award from other federal agencies.
- 4) **Title.** Subject to the requirements and conditions set forth in 2 CFR 200.313, title to equipment acquired with a federal award will vest upon acquisition by EIERA. Unless a statute specifically authorizes the Federal Awarding Agency to vest title in EIERA without further responsibility to the federal government, and the Federal Awarding Agency elects to do so, the title must be a conditional title. Title must vest in EIERA subject to the following conditions:
 - a) Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
 - b) Not encumber the property without approval of the Federal Awarding Agency or EIERA (for subrecipients).
 - c) Use and dispose of the property in accordance with paragraphs (c) and (e) of 2 CFR 200.313.
- 5) **Supplies.** In accordance with 2 CFR 200.314, EIERA verifies that there are no supplies and materials (including cost of computing devices) purchased on federally funded grants with a total aggregate residual value of \$10,000 or greater at the end of the project period.
 - a) If there is a residual inventory of unused supplies exceeding \$10,000 in total aggregate value upon termination or completion of the project and the supplies are not needed for any other federally funded award, EIERA will retain the supplies for use on other activities

or sell them, but must, in either case, compensate the federal government for its share. The federal amount is calculated in compliance with 2 CFR 200.313(e)(2).

- b) As long as the federal government retains an interest in the supplies, EIERA will ensure that supplies acquired under a federal award will not be used to provide services to other organizations for a fee that is less than private companies charge for equivalent services unless specifically authorized by federal statute.
- 6) **Use.** Equipment must be used by EIERA or potential subrecipients or projects for which it was acquired as long as needed, whether the project or program continues to be supported by the federal award. In accordance with 2 CFR 200.313(c)(2), EIERA will ensure equipment is available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or programs for which it was originally acquired. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal Awarding Agency or as approved by the Federal Awarding Agency. EIERA must ensure the equipment is properly maintained to keep it in good working condition. EIERA works closely with the user of the equipment after procurement to ensure they understand the care and proper use of the equipment. To meet this requirement, EIERA will follow maintenance schedules and the procedures outlined within the EPA Best Practice Guide for Procuring Services, Supplies, and Equipment.

To support the appropriate use and maintenance of all equipment purchased to administer a federal assistance program, EIERA adopts the following policies on inventory, equipment uses and maintenance, and safeguards to prevent loss.

- a) **Inventory.** In accordance with 2 CFR 200.313(d)(2), EIERA completes an inventory of all fixed assets on an annual basis and reconciled with the property depreciation schedule. If there is any loss, damage, or theft of the equipment, EIERA will investigate any discrepancies to determine the cause.
 - b) **Use and Maintenance.** Equipment must be used by EIERA for the federal award for which it was acquired as long as needed, whether the program continues to be supported by the federal award. When no longer needed for the federal award, the equipment may be used in other activities supported by the Federal Awarding Agency.
 - c) **Safeguards.** EIERA will confirm that the property is kept in good condition by the user and that there are safeguards to prevent loss, damage, or theft of the property. If equipment is stolen, damaged, or otherwise lost, the incident must be reported promptly, and the circumstances appropriately documented, reported, and recorded.
- 7) **Disposition.** If the equipment acquired under the federal award is no longer needed for activities currently or previously supported by the Federal Awarding Agency and is no longer needed for the original project or program or for activities currently or previously supported by a Federal Awarding Agency, EIERA must request disposition instructions from the Federal Awarding Agency if required by the terms and conditions of the federal award. If EIERA is authorized or required to sell the property by the federal agency, proper sales procedures must be followed to ensure the highest possible return. EIERA will ensure that the Federal Awarding Agency receives its share of the proceeds stipulated by 2 CFR 200.313(e). If EIERA determines the equipment is obsolete, EIERA should seek guidance from the Federal Awarding Agency on disposing under the federal award.

Once the grant has terminated, EIERA will conduct a final physical inventory of all federally titled property as part of the close-out procedures as outlined in the grant agreement, including terms and conditions. EIERA must execute a different process depending on the value of the equipment, as outlined below.

a) **Non-Exempt Federal Title and Market Value is Less Than \$10,000.** In accordance with federal regulation 2 CFR 200.313, if the current fair market value is less than \$10,000, there is no additional obligation to the Federal Awarding Agency. EIERA can retain or dispose of the equipment as it deems appropriate. If the equipment is sold, there is no obligation to give any of the proceeds to the Federal Awarding Agency. EIERA must follow the equipment disposition policies for the sale or transfer of the equipment.

b) **Non-Exempt Federal Title and Market Value is Greater Than \$10,000.** In accordance with federal regulation 2 CFR 200.313, if the current fair market value is greater than \$10,000, EIERA must follow the processes outlined below:

i) **Sale of Equipment or Retention for Non-Program Purposes.** If EIERA wants to sell the equipment to a non-EIERA entity or otherwise retain the equipment, where no longer needed or usable for other federally funded activities, EIERA must compensate the Federal Awarding Agency for its share in the acquisition costs.

ii) **Retention and Use of Equipment for Another Federal Awarding Agency Program.** If EIERA wants to retain the equipment for use on another federally funded project/program:

Items to be retained will:

(1) Include a brief statement indicating how the items will be used;

(2) Return residual property to the Federal Awarding Agency; or

(3) Transfer the accountability of the property to another federally funded program within EIERA.

If the project/program is currently receiving or has previously received federal funding, EIERA may retain the equipment on the project and does not need to request disposition from the Federal Awarding Agency, unless the grant agreement requires Federal Awarding Agency approval.

8) **Compliance and Recordkeeping.** EIERA will maintain comprehensive records for all equipment acquired with federal funds, including information on the acquisition, use, maintenance, and disposition of this equipment, to ensure compliance with all reporting requirements related to equipment management as stipulated by the Federal Awarding Agency or otherwise detailed in the Uniform Administrative Guidance.

Section 5.0 Procedures

As a recipient of a federal grant, EIERA must follow the established practices and procedures below to determine the best manner of thoroughly documenting the acquisition and subsequent management of equipment purchased with federal funds.

The Property Management process includes:

- Required Action for Equipment Acquisition;
- Title Equipment;
- Use and Maintenance;
- Inventory and Recordkeeping; and,
- Disposition.

5.1 Required Action for Equipment Acquisition

All purchasing or procuring equipment with funding from the federal award must be validated against the award agreement and Federal Awarding Agency terms and conditions for clauses relating to the purchase of equipment.

- 1) ITSD determines the specification of the purchase request and conducts research and documents costs to ensure the best value for purchases. ITSD submits an equipment purchase request prior to purchasing. The equipment purchase request must be in writing and specify the following:
 - a) The date of request;
 - b) The products or services requested;
 - c) Item description, quantity, and price;
 - d) Reason for purchase;
 - e) Eligibility and necessity under the grant; and,
 - f) Analysis of lease and purchase alternatives.
- 2) The Grant Manager reviews the purchase request and determines if equipment is necessary. As part of the review, the Grant Manager confirms that all purchases are eligible, allowable, and allocable under the award and there is an analysis of lease and purchase alternatives. The Grant Manager also determines if a process for soliciting goods and services was conducted.
- 3) If the purchase request is approved, the Grant Manager provides confirmation to ITSD. If the purchase request is not approved, the Grant Manager provides justification to ITSD for consideration and resubmission, if applicable.
- 4) The Grant Manager and ITSD work together to procure federally funded equipment and follow EIERA's Procurement Policy and guidelines to ensure EIERA follows the correct process for soliciting goods and services.

5.2 Title Equipment

ITSD purchases the equipment and logs the equipment information into the equipment management system to ensure proper management. ITSD works with the Fiscal Manager to ensure proper accounting.

Records for all equipment must include the following:

- Description of the equipment;
- Serial number, model number, or other identification number;
- Source of the equipment, including award number;
- Title holder;
- Acquisition date or date received;
- Cost of the equipment;
- Percentage of federal participation in the cost of the equipment;
- Location, use, and condition of the equipment;
- Disposition data, including the date of disposal and sale price of the equipment; and
- Identification that the equipment is federal property, if applicable.

5.3 Use and Maintenance

- 1) ITSD works closely with the user of the equipment after procurement to ensure they understand the care and proper use of the equipment. Equipment must be used for which it was acquired if the program continues to be supported by the federal award.
- 2) Periodically, ITSD confirms that the property is kept in good condition by the user and that there are safeguards to prevent loss, damage, or theft of the property.

5.4 Inventory and Recordkeeping

- 1) On an annual basis, the Fiscal Manager conducts an inventory of all non-computer property and equipment and ITSD conducts an inventory of all computer equipment. During the inventory process, the Fiscal Manager and ITSD confirms with the responsible parties that the property is kept in good condition. The Fiscal Manager and ITSD share the annual inventory results with the Grant Manager for review. Full details are included in the EIERA Fixed Asset Audit Schedule and ITSD annual iTrack inventory.
- 2) The Grant Manager reviews the inventory conducted, confirms any necessary equipment changes, and assists in any loss, damage, or theft of the equipment. If there is any loss, damage, or theft of the equipment, the Grant Manager investigates in coordination with the Fiscal Manager and ITSD. The Grant Manager shall also confirm that all equipment is properly associated with the correct federally funded project.
- 3) If the conducted inventory is not approved, the Grant Manager provides feedback to the Fiscal Manager and ITSD to review the property management inventory and resubmit.
- 4) Once the Grant Manager approves the final property management inventory, the Fiscal Manager and ITSD update the property and equipment management system as needed

- 5) The EIERA contracted Certified Public Accountant (CPA) processes the audit entries from the annual EIERA financial audit for fixed assets and depreciation expense in the Thomson Reuters CS Professional Suite accounting system. The Fiscal Manager reviews fixed asset audit entries processed in the accounting system by the EIERA contracted CPA and makes sure the balances match the Fixed Asset Schedule.

5.5 Disposition

Upon completion of the federal award, or in the event that the equipment is no longer needed for the federal award, the equipment may be disposed of. When EIERA wishes to transfer, sell, or dispose of an asset, the following procedures are followed:

- 1) The Grant Manager reviews the terms and conditions of the associated award for disposition information. Disposition depends on, among other factors, which entity has ownership (i.e., title) of the equipment. If applicable, the Grant Manager requests disposition instructions (as needed) from the Federal Awarding Agency, except as otherwise provided by federal regulations or statutes, or unless EIERA plans to use the equipment for another project that received/has received federal funding. If EIERA plans to sell the equipment, the Grant Manager calculates the federal share of the proceeds for the Federal Awarding Agency reimbursement (if applicable). Grant Manager sends the disposition request to the Executive Director for review and approval.
- 1) The Executive Director reviews the disposition request and confirms that the disposition of equipment and supplies meets federal guidelines and the Federal Award Agency's instructions. The Executive Director shall also confirm that the disposal of equipment is properly associated with the specific federally funded project. If issues are identified, the Executive Director provides feedback to the Grant Manager to review the disposition request and resubmit.
- 2) Once approved, the Grant Manager works with the Fiscal Manager to log the equipment disposition in the property and equipment system and calculates the federal share of the proceeds for Federal Awarding Agency reimbursement (if applicable). The Grant Manager sends property and equipment changes via email to the Fiscal Manager.
- 3) The Fiscal Manager updates the Fixed Asset Schedule with the disposition and final entries are made in Thomson Reuters CS Professional Suite System at the end of EIERA's annual financial audit.

VII. PROCUREMENT

Procurement Policy & Procedures

June 2025

Version 1

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Section 1.0 Overview and Purpose

The objective of this policy and procedures document is to ensure that Environmental Improvement & Energy Resources Authority (EIERA) procures services, products, and support consistent with Uniform Administrative Guidance and federal procurement requirements when applicable under a federal award agreement. These policies and procedures attempt to balance the need to maintain and nurture contractual relationships with the necessity of procurement and contract management in a fair, consistent, and disciplined manner that makes good overall business sense. All individuals acting on behalf of EIERA in authorizing procurements and resulting contracts are responsible for ensuring compliance with these policies and procedures.

If the policies and procedures herein are followed properly by all staff involved with a federal award, the end recipients of funds and products from EIERA will be served most effectively.

Additionally, as a recipient of federal funding, EIERA is required to follow these policies and procedures to remain compliant with 2 CFR 200, Subpart D provisions on procurement and other applicable sources of law for federal award agreements. The provisions contained within these policies and procedures should be interpreted in a manner that is consistent with 2 CFR 200, Subpart D. Procurement will also be conducted in accordance with applicable state and local laws and regulations. EIERA follows its own procurement process, which it has certified is equivalent to the procurement standards at 2 CFR 200.318 through 200.326.

If there is a conflict between these policies and procedures and the award terms and conditions, the terms and conditions shall prevail.

Section 2.0 Definitions and Acronyms

As used herein, the following terms have the meanings described below:

1. **“Board”** means the Environmental Improvement & Energy Resources Authority governing board.
2. **“CFR”** means Code of Federal Regulations and is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.
3. **“EIERA”** means the Missouri Environmental Improvement and Energy Resources Authority.
4. **“Federally Funded”** means that for all monies received directly from the federal government, the expenditure is administered through or under the direction of any agency/department.
5. **“Non-Federally Funded”** means funds provided by any source other than the federal government and includes state and local funding and debt proceeds.

Section 3.0 Responsibilities

1. **The EIERA Board** – approves the form and release of any requests for proposal and selects the most qualified respondent. The Board then authorizes the director or deputy director to enter into a contract with the selected party.
2. **EIERA** – oversees the day-to-day delivery of professional/contractual services.

Section 4.0 Policy

4.1 General Procurement Principles

The following professional/contractual services are formally bid and selected by EIERA's Board through a formal competitive bidding process:

- General Counsel;
- Auditor;
- Certified Public Accountant (CPA);
- Financial Advisor;
- Environmental, Technical or Management Consultants;
- Programmatic Underwriting Teams; and,
- Programmatic Bond Counsel.

The form of solicitation and evaluation tools will be approved by the Board, as will the method of publication or distribution, schedule, and other items material to the solicitation and evaluation process. The solicitation will be structured in such a way as to be fair for all bidders and allow informed bids for the services to be provided. The evaluation tool will be constructed to evaluate the capabilities to perform the services and to meet the needs and priorities of EIERA. Cost will be evaluated separately from other criteria and, while it is an important factor, should not be the sole criterion for selection of service providers.

In the case of program bond or note refundings and other innovative structures, the EIERA Board may choose to select underwriting firms by separate solicitation. The Board may, however, in its discretion, select an underwriting firm or firms based upon transactions or structures brought to EIERA by such firms outside of a solicitation process.

Section 260.035 RSMo. authorizes EIERA to make and execute contracts necessary or convenient for the exercise of its powers or to carry out its purposes. It is the preference of EIERA that professional/contractual services not mentioned above also be selected through a competitive process. The Board may authorize non-competitive selection when the circumstances make a competitive process impractical due to timing, cost effectiveness, specialized nature of the services, or other factors. It may also authorize using contracts of other governmental entities where allowed in lieu of a competitive process.

Generally, services are bid and new agreements awarded every three to five years; however, the Board may deviate from these time frames. The Board may choose to extend the term of an agreement/engagement for cause. Cause may include, but is not limited to, ongoing legal activity,

audits, bond transactions, programmatic change or other activities that would be unnecessarily interrupted or adversely impacted by changing professionals while ongoing; limited staff resources or heavy staff workload; or key staff vacancies or turnover (including turnover of other service providers) which, when coupled with changes in professional service providers, could jeopardize business functions, accountability, operations or transfer of knowledge. Agreement extensions should be tailored to meet the needs of EIERA while not unnecessarily hampering competition for the services provided.

Where applicable, contracts with the selected proposer shall set forth the term of the agreement and any extension thereof. Contracts for certain services, such as accounting, auditing, and underwriting, may not be necessary if engagement letters are entered into annually or as part of a bond transaction, as is the custom for that service.

Contracts awarded may be amended when such an amendment is in the best interest of EIERA and does not significantly alter the original intent or scope of the agreement.

4.2 Guidelines for Procurement with Federal Funding

As a recipient of federal funding, EIERA must follow established procurement policies and guidelines when evaluating the purchase of goods and services with federal dollars. **This section of the policy only applies to purchases with federal dollars.**

EIERA uses the Procurement Standards established in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200.318 – 326) as the basis of its procurement policies, categories, and procedures. For these policies and procedures, EIERA has incorporated elements of the Environmental Protection Agency (EPA) Best Practice Guide and the Procurement Standards, where relevant.

General Procurement Principles

Upon identifying the need to procure outside products or services, EIERA will work to ensure attention is paid to the following considerations. Unless otherwise noted, these considerations should apply to all procurement types and methods that are federally funded.

- EIERA will avoid purchasing unnecessary or duplicated items.
- EIERA will not impose state, local, or tribal geographical preferences in the evaluation of contractors, bids, or proposals. Geographic location may be a selection criterion in the procurement process if an applicable business purpose exists for such criterion, provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- Where appropriate, EIERA will conduct an analysis of lease and purchase alternatives to determine which would be the most economical and practical procurement.
- EIERA will, upon request, make available to the Federal Awarding Agency or any other authorized government agency any procurement document. EIERA will include provisions in every contract or agreement for termination and federal access to contract records.
- Contracts will be made only with responsible contractors. Consideration will be given to such matters as contractor integrity, record of past performance, financial and technical

resources, or accessibility to necessary resources. EIERA will include provisions that ensure no contractor or subaward will be entered into with parties that are debarred, suspended, or excluded from federal assistance programs.

- EIERA will utilize the Excluded Party List System located on the System for Award Management (SAM) website to determine if potential vendors and contractors are excluded from receiving federal contracts, certain subcontracts, and certain federal financial and nonfinancial assistance and benefits prior to executing a subaward agreement or contract funded by a federal assistance award.

Conflict of Interest Policies

EIERA must ensure that any potential conflicts of interest are identified and that appropriate steps are taken to avoid or mitigate them. Contracts should not be awarded to any individual or organization that has an unfair competitive advantage over other competitors unless every effort is first taken to successfully mitigate such conflict or advantage. Additionally, EIERA employees must not participate in procurement selections where they have a real or perceived personal or financial interest with an offeror or the outcome of that procurement. EIERA employees are to adhere to the guidance provided on conflicts of interest within the Employee Handbook.

To ensure objective contractor evaluation and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, RFPs or RFQs for EIERA shall be excluded from competing for such contracts.

Individual Conflicts of Interest Policy. EIERA and its employees must adhere to the conflicts of interest regulations contained in 2 CFR §200.318(c)(1). This section requires EIERA employees to identify if they, or members of their immediate family, have real or apparent conflicts of interest and work with EIERA to avoid or mitigate any such conflict. Moreover, EIERA employees may not solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

Every EIERA director, officer, and employee is required to review and adopt in writing EIERA's "Conflicts of Interest Statement." By signing the Conflicts of Interest Statement, each signee commits to implementing and abiding by policies and procedures that ensure fairness in procurement and protect EIERA's interests and reputation from perceived conflicts of interest that might benefit any of its directors, officers, employees, agents, consultants, and/or vendors. This Conflict of Interest policy requires a onetime signature and creates oversight obligations and procedures over EIERA transactions, including procurement, that are implemented by all signers.

If an actual or potential conflict of interest is present, EIERA directors, officers, and employees have a "Duty to Disclose" the existence and nature of their interests to the Board and take reasonable actions to successfully mitigate such conflicts (including recusal where appropriate) pending a determination (by the EIERA Board and legal team) of formal mitigation strategy by the EIERA Board. EIERA should also ensure that any obligations of disclosure to the government are completed after an actual or potential conflict is identified.

Any information disclosed by EIERA employees or officials related to conflicts of interest shall be used solely to assess them and shall be kept confidential to the maximum extent practicable.

Violations of EIERA's Individual Conflicts of Interest Policy will result in disciplinary action which may include, but is not limited to, termination of employment or contractual relationships in addition to any other remedy available at law.

The following scenarios are deemed to be *de minimis* exceptions to the individual conflicts of interest rule and do not require reporting:

- Stock ownership in a publicly traded company of \$5,000 in value or less.

Organizational Conflicts of Interest Policy. 2 CFR §200.318(c)(2) provides that: "Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization." An example of an organizational conflict of interest (OCI) is a situation in which a nonprofit recipient procures services from a for-profit affiliate with federal funds. Guidance on relationships that make two organizations affiliated is available at 2 CFR §180.905.

EIERA maintains written standards of conduct to implement the aforementioned conflicts of interest policy which are central to its procurement requirements. Each employee is expected to adhere to these standards. Employee violations of these standards may result in disciplinary actions, up to and including termination, pursuant to the policy in the EIERA Employee Handbook.

Indicative checks include:

- Evaluating procurement bidders against an OCI checklist;
- Requiring EIERA officials and employees to disclose actual or potential conflicts of interest; and,
- Reviewing conflict of interest disclosures from EIERA officials or employees.

Gifts and Gratuities. As a recipient of federal awards, EIERA personnel may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to agreements or contracts with few exceptions as noted within the Gifts section of Missouri Department of Natural Resources' Conduct and Ethics Policy at <https://dnr.mo.gov/document-search/modnr-policy-101-conduct-ethics-policy>. Not only are such gratuities prohibited by law, but they could EIERA's reputation for impartiality and integrity. When in doubt regarding the appropriateness of a business courtesy, seek guidance, and always err on the side of caution.

Violations of this section will result in disciplinary actions, up to and including termination of employment (see the policy in the EIERA Employee Handbook).

Procurement Methods

Beyond these General Procurement Principles, the procurement method used for a specific procurement will determine the process that must be followed.

Informal Procurement: In cases where the procurement of goods and services does not exceed \$250,000 and the cost is not the primary evaluation factor, EIERA may utilize the Informal Procurement Methods listed in 2 CFR 200.320. This applies to direct purchases, micro-purchases, and small purchases.

Formal Procurement: EIERA's procurements will be subject to the formal competitive requirements of 2 CFR 200.319 and 200.320 if:

- The cost of goods or services exceeds the micro-purchase threshold but is less than \$250,000 and factors other than price (e.g., expertise, technical requirements) are the primary evaluation criteria; or
- The procurement cost exceeds the simplified acquisition threshold of \$250,000, then procurements are subject to the formal competitive requirements of 2 CFR 200.319 and 200.320(b).

In such cases, EIERA's policy requires the procurement of goods and services via sealed bids, RFPs, RFQs, or non-competitive means. Each method is described in more detail below.

- **Sealed Bid.** Sealed bidding may be appropriate when precise specifications can be developed, and a firm fixed-price contract will be awarded to the responsive bidder based principally on price. The sealed bid approach to competitive procurements is typically only used for construction projects, purchases of equipment widely available in the commercial marketplace, and procurement of supplies in bulk.
- **Request for Proposals (RFP).** An RFP should be used when the required goods or services are not expected to be repetitive or, alternatively, in cases where non-price evaluation factors will be key in selecting the successful offeror (e.g., expertise, technical requirements).
- **Request for Qualifications (RFQ).** An RFQ should be used if the total estimated cost of services is greater than \$250,000 and the contract support, services, or goods are expected to be repetitive. The RFQ procurement method is used to identify and pre-qualify a pool of contractors that may result in two or more successful offerors to ensure maximum competition and diversity. Examples of procurements made using an RFQ are graphic design, marketing, evaluation, and translation service contracts.
- **(Non-Competitive) Sole Source Contract.** Sole-source contracts exceeding the micro-purchase threshold should be avoided whenever possible and can only be used in certain limited circumstances. The allowable justifications for using non-competitive procurements are described at 2 CFR 200.320(c) and include such factors as only one source has the goods or can perform the service, procurement of services and goods are justified by an emergency, or EIERA has pre-approval of the Board and the Federal Awarding Agency.

Competitive Procurement

With very few exceptions, EIERA will follow a competitive process when using federal funds to purchase supplies, equipment, and professional services in amounts that exceed the micro-purchase threshold.

To maximize competition and the ability for vendors to fairly compete for EIERA contracts and awards, EIERA will avoid the following anti-competitive practices:

- Allowing contractors to compete for contracts where they have advised EIERA on procurement strategy, drafted specifications, or contributed to requirements, statements of work, or invitations for bids or requests for proposals related to that contract competition.
- When developing procurement strategies and documents, EIERA should not borrow or utilize any language, templates, specifications, or requirements from vendors that have a potential interest in bidding on the resulting contract.
- Imposing unreasonable requirements or qualifications on firms in order for them to compete for business.
- Requiring unnecessary experience or excessive bonding.
- Allowing noncompetitive pricing practices between firms or between affiliated entities.
- Making noncompetitive awards to consultants that are on retainer contracts.
- Permitting organizational conflicts of interest.
- Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement.
- Taking arbitrary actions that favor one firm over others.

EIERA staff shall ensure that full and open procurement methods are applied to ensure cost effectiveness and reduce the potential for favoritism and conflicts of interest.

Contracts

EIERA may leverage the several types of contracts allowable under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Each is described further below.

- **Fixed-Price Contracts.** Fixed-price contracts (including lump sum and/or unit price) are advantageous to EIERA when there is little uncertainty about the product specifications required or about the scope of services and required deliverables for service contracts. As provided at 2 CFR 200.320(b)(1), EIERA will use fixed-price contracts in sealed bid situations but may also use fixed-priced contracts when there are not any significant technical or engineering unknowns.
- **Cost-Reimbursable Contracts.** EIERA will use a cost-reimbursement contract when it is not feasible to award a fixed-price contract. This is typically the case in instances where specifications and the required level of effort include some unknowns. In this case, the contractor's cost and profit are typically negotiated separately. The contractor is responsible for performing the required work, and EIERA is obligated to pay the contractor the actual and allowable costs incurred in their performance. However, unlike time and materials contracts, the contractor will only receive the fixed, pre-negotiated profit amount regardless of the time/costs incurred in performance.

- **Time and Materials Contracts.** EIERA will use “time and materials” contracts only in circumstances in which no other contracting instrument is available. Time and materials contracts provide fixed hourly rates and materials costs, but the quantity of the labor hours expended and materials used is variable and subject to a not-to-exceed cap on the dollar amount of the contract. As such, time and materials contract expenditures are the sum of the cost of materials plus fixed labor hours that include wages, overhead, and profit.

Contract Length. When it is financially or strategically advantageous to EIERA it may enter into competitively awarded long-term (generally not to exceed five years) contracts for professional services or equipment leases that include options for periodic renewals. If the long-term contract precedes the federal assistance agreement, EIERA may use that contract if it was procured competitively in a manner consistent with federal financial assistance regulations in effect at the time.

Cost and Price Analysis

EIERA will award contracts to bids that are responsive to EIERA’s solicitations and whose terms are most advantageous to EIERA, considering cost, price, quality, and other factors. Some form of cost and/or price analysis must be performed and documented in the contract files in connection with every procurement action, including modifications that increase the price of existing contracts performed, regardless of price and whether the procurement was competitive or non-competitive.

Cost analysis is a review and evaluation of each element of cost to determine reasonableness, allocability, and allowability, and includes the comparison of multiple submitted price quotations, market prices, and similar indicators, along with discounts.

The method and degree of cost and/or price analysis are dependent on the facts surrounding the method of procurement, contract type, and other case-by-case considerations. As a starting point, EIERA will make independent estimates and document the assumptions and/or methodology used in developing its estimates before receiving bids or proposals.

Regardless of contract type, EIERA will then look to negotiate profit as a separate element of the price for each contract in which there is no price competition (i.e., multiple competitive bids were not obtained) and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, 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 the market-level industry profit rates in the surrounding geographical area for similar work.

Additional Procurement Considerations

In addition to considerations of competitive procurements, contract type, and cost/price analysis, EIERA will take other considerations into account when procuring goods and services.

- **Contractor Responsibility.** Contracts should only be made with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed contract. Consideration should be given to such matters as integrity, record of past performance, financial and technical resources, as well as accessibility to other necessary resources.

As part of this determination, EIERA will utilize the Excluded Party List System contained within the SAM website to determine if potential vendors and contractors are excluded from receiving federal contracts, certain subcontracts, and certain federal financial and nonfinancial assistance and benefits prior to executing a subaward or contract funded by a federal assistance award.

- **Limitation on Advance Payments.** With limited exceptions for goods and services where there is a clear commercial standard and/or established business practice for advance payments (i.e., subscriptions, software licenses, etc.), EIERA will include in its payment provisions the requirement that goods and services must be received and deemed acceptable to EIERA prior to remitting payment for said goods and services.
- **Limitation on Individual Consultant Compensation.** By statute, federal agencies may not reimburse financial recipients, such as EIERA, for compensation paid to individual (i.e., single person) consultants on an hourly, daily, or other basis that has the effect of exceeding the amount paid to federal employees at Level IV of the Executive Schedule. The cap on compensation for individual consultants is statutory, applies to all recipients, including states, and may not be waived.

If a consultant is paid on an hourly basis, agencies like the Federal Awarding Agency will not participate in more than the hourly equivalent of the rate or participate in more than the maximum daily rate if a consultant paid on an hourly basis works more than 8 hours in a day. There is no maximum number of days for the purposes of the consultant fee cap. The consultant fee cap only covers personal compensation; overhead and travel costs are not subject to the consultant fee cap.

NOTE: Per the Federal Awarding Agency, this is not applicable to a multi-employee firm under certain circumstances: "Contracts or subcontracts with multi-employee firms for services are not affected by the consultant compensation limitation in 2 CFR 1500.10 provided the contractor or subcontractor, rather than the recipient, selects, directs and controls individual employees providing consulting services."

Section 5.0 Procedures

The following sections provide a procedural overview of how to select the appropriate procurement method when soliciting goods and services, requirements for justifying and documenting the use of a particular procurement method, and criteria for evaluating offers under each procurement method. **The following procedures are only applicable to procurements with federal dollars.**

Step 1: Identify the Procurement Need

When preparing to procure goods or services related to the administration of a federal financial assistance agreement, EIERA must identify procurement needs as soon as practicable.

EIERA will record documentation summarizing the following:

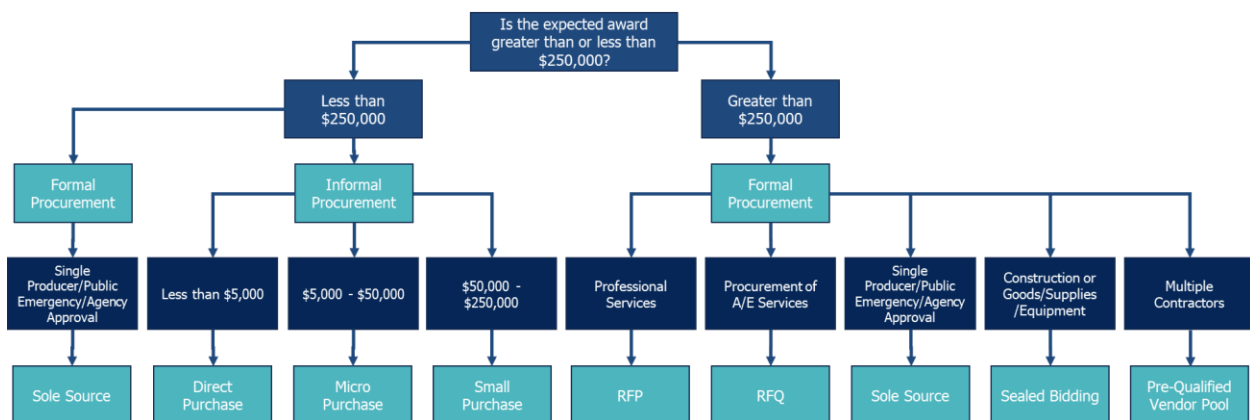
- Procurement method used;

- Cost/price analysis;
- Contract type;
- Additional evaluation criteria, as applicable;
- Sole source justifications, as applicable;
- The Federal Awarding Agency's approved budget line item associated with the procurement;
- Necessity of procurement to program administration;
- Real or perceived conflicts of interest; and,
- Any other pertinent information related to the procurement.

All documentation will be maintained throughout program administration and for a period of three years beyond the period of performance of any solicited and procured services.

Step 2: Selecting A Procurement Method

After identifying a procurement need, EIERA will select the appropriate procurement method for soliciting the documented goods and/or services. Generally, EIERA will use the logic tree included below to determine the appropriate procurement type. However, each procurement method is subject to the additional analysis, documentation requirements, and evaluation criteria (as applicable) described in subsequent sections of this procedure.



The above diagram serves as a guideline for selecting the appropriate method for a given procurement. Note that there are additional considerations for each procurement type, described further below, that EIERA will consider before executing a given procurement method.

The procurement procedures for the informal and formal procurement methods described in the subsequent sections will detail the specific criteria for selecting each procurement method in a way

that complies with all federal requirements. In addition, the following procedures will also specify additional documentation requirements and evaluation criteria, as applicable.

Step 3: Procuring Goods and Services

1) Informal Procurement Procedures

Direct Purchase

The following section outlines the required criteria for selection of the documentation requirements associated with, and the evaluation criteria for Direct Purchases.

Criteria for Selecting Procurement Method. If EIERA determines that a procurement meets the following criteria, the Direct Purchase method may be used:

- The cost of goods or services is less than \$5,000;
- A contract is not required for the purchase; and,
- The price is reasonable.

Procurement Method Documentation Requirements. The following documentation must be retained for the contract file for Direct Purchases:

- A receipt or other proof of purchase that clearly states the goods or services acquired and the price paid for those goods or services.
- Evidence of price reasonableness, which can include proof of commercial pricing or a statement reflecting the market knowledge of the organization or individual purchaser.

Evaluation Criteria. An equitable distribution of direct purchases among qualified contractors to the extent practicable and a determination that the price is reasonable. Purchase at a commercially available price is adequate to serve as a presumption of price reasonableness.

Micro-Purchase

The following section outlines the required criteria for selection of the documentation requirements associated with and evaluation criteria for Micro-Purchases.

Criteria for Selecting Procurement Method. If the EIERA determines that procurement meets the following criteria, the micro-purchase method may be used:

- The aggregate amount of goods or services is less than or equal to the micro-purchase threshold (\$5,000 - \$50,000);
- Micro-purchases are distributed equitably among qualified suppliers; and,
- The price is reasonable.

Procurement Method Documentation Requirements. If it does meet the above criteria, EIERA will document the following information:

- Scope of work or contract requirements;

- Estimate of cost/price;
- Contract, purchase order, or other agreement covering the goods and services;
- EIERA's price or cost estimate; and,
- If an award is made to a contractor previously used by EIERA, a statement noting the rationale behind the equitable distribution of contracts.

Evaluation Criteria. A determination that the price is reasonable. Purchase at a commercially available price is adequate to serve as a presumption of price reasonableness. Significant deviations from the cost/price estimate should also be explained in the relevant documentation.

Small Purchase

The following section outlines the required criteria for selection of the documentation requirements associated with, and the competitive requirements, cost/price analysis and evaluation criteria, and post-award documentation requirements for Small Purchases.

Criteria for Selecting Procurement Method. If EIERA determines that procurement meets the following criteria, the small purchase method may be used:

- The value of goods or services (in total) is greater than the micro-purchase threshold of less than or equal to \$250,000; and,
- Price is the primary consideration in awarding the contract.

Procurement Method Documentation Requirements. If it does meet the above criteria, EIERA will document the following information:

- Scope of work or contract requirements;
- Estimate of cost/price (based on market research).
- Drafting a solicitation for the goods or services required;
- Soliciting price or rate quotations; and,
- Publicly posting the solicitation (e.g., on a website or other third-party RFP listserv).

Competitive Requirements. The solicitation should be made available for sufficient time to allow for open competition to receive the maximum number of bids. At least three (3) responses to the solicitation must be received to determine price reasonableness on the basis of competition alone. If fewer than three responses are received, EIERA will perform additional price analysis to determine cost reasonableness. EIERA will document all efforts taken to compare prices and other means of ensuring the reasonableness of contracts.

If fewer than three (3) responses are received, EIERA will determine, based on the price analysis performed, if a re-solicitation is required to receive a reasonable price. In such a case, EIERA will revise the solicitation and posting, as necessary. Items to consider in the re-solicitation include:

- Requirements placed on bidders;
- Length of time the solicitation was published; and,

- Places and methods of publication of the solicitation.

EIERA will make the determination whether re-solicitation is required (a) on the basis of market research; and/or (b) whether EIERA believes the modified RFP requirements would likely yield additional qualifying bids. If re-solicitation is not required, EIERA will document the procurement method and procedures.

Cost/Price Analysis. If the quotations received are all \$250,000 or greater, EIERA will determine whether an RFP or RFQ procurement method should be used pursuant to the formal procurement procedures.

Post-Award Documentation Requirements. EIERA will ensure the following information is included in the contract file for small purchases:

- A copy of the solicitation;
- A description of the method of the solicitation;
- Vendor responses;
- The contract, purchase order, or other agreement with the contractor
- A cost/price analysis; and,
- Award and decline letters to offerors.

EIERA will then create and initiate the contract with the selected contractor.

2) Formal Procurement Procedures

If the cost of goods or services exceeds the micro-purchase threshold but less than \$250,000 and factors other than price (e.g., expertise, technical requirements) are the primary evaluation criteria OR if the procurement cost exceeds the simplified acquisition threshold of \$250,000, then procurements are subject to the formal competitive requirements of 2 CFR 200.319 and 200.320(b).

RFQs should be used when EIERA knows what they want to purchase and only needs more information about the price, and an RFP should be used when EIERA needs more detailed information about the product or service itself.

EIERA can elect to use a “sealed bid” process when price is the only evaluation factor. A sealed bid process would follow the same general processes outlined in the RFP and RFQ approaches, but the evaluation would be limited solely to a price competition, and there would be no narrative response (e.g., Technical Approach, Past Performance, etc.) submitted, but instead only a pricing response.

Request for Proposals (RFP)

The following section outlines the required criteria for selection of the documentation requirements associated with competitive requirements, evaluation criteria, and post-award documentation requirements for RFPs.

Criteria for Selecting Procurement Method. EIERA will determine if the procurement meets the following criteria:

- The procurement does not meet the qualifications for a small purchase; and,

- The procurement is for specific tasks or projects that are not expected to be repetitive.

Procurement Method Documentation Requirements. If the procurement does meet the above criteria, EIERA will document the following information:

- Scope of work or contract requirements;
- Evaluation factors for the basis of award; and,
- Estimate of cost/price (based on market research).

Competitive Requirements. EIERA will then publish the RFP and keep it open for at least 30 days as provided in 40 CFR 33.301(b).

At least three (3) proposals must be received to determine price reasonableness on the basis of competition.

If fewer than three (3) responses are received, EIERA will determine, based on the price analysis performed, if a re-solicitation is required to receive a reasonable price. In such a case, EIERA will revisit the solicitation and posting, as necessary. Items to consider in the re-solicitation include:

- Length of time the solicitation was published; and,
- Places and methods of publication of the solicitation.

If re-solicitation is required, EIERA will revisit the solicitation and posting, as necessary. If two (2) or fewer proposals were received and re-solicitation is not required, EIERA will document this fact in writing, specifically noting the basis upon which they believe that the manner and length of the solicitation posting was sufficient to provide full and open competition, and that the price/cost of the successful offeror is reasonable.

Evaluation Criteria. EIERA will develop the criteria to evaluate contractor qualifications in response to the RFP. Criteria should be weighted with the more important items receiving greater evaluation weight. The evaluation criteria will vary based on the need for goods or services and should be tailored appropriately. EIERA will develop a weighted scoring methodology to guide the development of a framework for evaluating proposals against the identified criteria.

Additionally, EIERA will review the source of funding and determine which, if any, compliance or federal requirements must be taken into consideration during the evaluation, included in the framework for evaluation, and/or included in the technical specifications of the solicitation.

EIERA or a designee will create the RFP solicitation. In so doing, EIERA will ensure that applicable federal “flow down” provisions and/or funder requirements are included in the RFP development to ensure compliance with federal financial assistance requirements.

EIERA will review responses to ensure that the proposals are complete. EIERA can utilize discretion to accept proposals and allow proposals to be remedied that are missing non-material information, except for information that impacts the fairness of the bid process. If the submittal is rejected due to being late or incomplete, EIERA will send a letter indicating the reason the submittal was non-responsive to the respondent and maintain a documented and filed copy.

EIERA will assign a Proposal Evaluation Team to review the accepted proposals using the performance criteria established in the RFP. Members of the Proposal Evaluation Team should be

briefed on individual and organizational conflicts of interest procedures before they are given access to bids and should confirm that they do not have a conflict related to the procurement or the responding vendors. The proposal evaluation team should be briefed on the evaluation methodology and any supporting documents (i.e., evaluation matrix).

The method and degree of price and/or cost analysis should be dependent on the facts surrounding the particular procurement situation. As a starting point, EIERA will make independent cost estimates prior to receiving bids or proposals based on market research. Cost or price analysis must be documented in connection with the procurement action.

The assigned Proposal Evaluation Team will review, score each of the accepted proposals and document their review in a summary that describes the scores received by each qualified vendor and brief narrative explanations supporting the scores, especially those of the successful offeror. This summary should include a discussion of trade-off decisions between evaluation factors. The respondent with the highest-scoring proposal will be approved by EIERA's Board and receive the contract award. EIERA will draft and send letters/e-mails to respondents who submitted proposals to the solicitation, notifying them of selection or rejection.

Post-Award Documentation Requirements. EIERA will ensure the following information is adequately documented and included in the contract file:

- Price/cost estimate;
- RFP solicitation;
- Description of the method of solicitation;
- Cost and/or price analysis of offerors;
- Conflict of Interest Certifications from the Proposal Evaluation Team;
- Evaluation summary supporting the selection decision and applicable supporting documents (i.e., decision matrices);
- Offeror proposals; and,
- Award and decline letters.

Request for Qualifications (RFQ)

The following section outlines the criteria for selecting documentation requirements associated with evaluation criteria and post-award documentation requirements for RFQs.

Criteria for Selection of Procurement Method. EIERA will determine if the procurement meets the following criteria:

- The procurement does not meet the qualifications for a small purchase.
- The procurement is for specific tasks or projects that are expected to be repetitive or continuous.

Procurement Method Documentation Requirements. If the procurement does meet the above criteria, EIERA will document the following information:

- Scope of work or contract requirements;
- Evaluation factors for the basis of the award; and,
- Estimate of cost/price (based on market research).

Qualification Evaluation Criteria. If it does meet the above criteria, EIERA will develop the criteria that will be used to evaluate the qualifications of the contractor in its response to the RFQ. Criteria may include the following:

- Demonstrated understanding of EIERA's requirements;
- Technical capabilities (operational capacity, equipment, and materials proposed);
- Management approach including staffing of key positions, method of assigning work, quality assurance approach, and procedures for maintaining the level of service;
- Demonstrated corporate experience;
- Experience of proposed personnel who will perform the work; and,
- Price offered by proposer.

Qualification criteria will vary based on the need for services and should be tailored appropriately.

EIERA or a designee will create the RFQ. EIERA will ensure that applicable federal "flow down" provisions and/or funder requirements are included in the RFQ development to ensure compliance with federal financial assistance requirements. EIERA will also conduct a final review of the RFQ prior to its release.

EIERA will review responses to ensure that the submittals are complete. EIERA can utilize discretion to accept proposals and allow proposals to be remedied that are missing non-material information, except for information that impacts the fairness of the bid process. If the submittal is rejected due to being late or incomplete, EIERA will send a letter indicating the reason the submittal was non-responsive to the respondent and maintain a documented and filed copy.

EIERA will assign a Proposal Evaluation Team to review the accepted proposals using the performance criteria established in the RFQ. Members of the Proposal Evaluation Team should be briefed on individual and organizational conflicts of interest procedures before they are given access to submissions and should confirm that they do not have a conflict related to the procurement or the responding vendors. The evaluation should be briefed on the evaluation methodology and any supporting documents (i.e., evaluation matrix).

The method and degree of price and/or cost analysis should be dependent on the facts surrounding the procurement situation. As a starting point, EIERA will make independent cost estimates prior to receiving bids or proposals based on market research. Cost or price analysis must be documented in connection with the procurement action.

The assigned Proposal Evaluation Team will review, score each of the accepted submissions and document their review in a summary that describes the scores received by each qualified vendor and brief narrative explanations supporting the scores, especially those of the successful offeror. This summary should include a discussion of tradeoff decisions between evaluation factors. The respondent with the highest scoring submission will be approved by EIERA's Board and receive the

contract award. EIERA will draft and send letters/e-mails to respondents who submitted proposals to the solicitation, notifying them of selection or rejection.

Post-Award Documentation Requirements. EIERA will ensure the following information is adequately documented and included in the contract file:

- EIERA price/cost estimate;
- RFQ solicitation;
- Description of the method of solicitation;
- Cost and/or price analysis of offerors;
- Conflict of Interest Certifications from the Proposal Evaluation Team;
- Evaluation summary supporting the selection decision and applicable supporting documents (i.e., decision matrices);
- Offeror proposals; and,
- Award and decline letters.

Prequalified Vendor Pool

If EIERA will require the same service from multiple contractors, contractors can be procured through a prequalified vendor pool process.

Criteria for Selection of Procurement Method: Prequalified vendor pools can be utilized when several contractors will be needed for the same type of work due to the nature and scale of the project or when the specific scope of work has not yet been identified; i.e., a project will have multiple locations in which one contractor may be unable to complete all the work, creating a pool of potential loan purchasers or technical assistance providers, etc.

Procurement Method Documentation Requirements. If the procurement does meet the above criteria, EIERA will document the following information:

- A pre-qualification solicitation that will include requirements for vendor vetting:
 - Integrity checks (cleared on System for Award Management);
 - Certificates of Insurance; and,
 - Capabilities.

Evaluation Criteria. Through this process, contractors will be evaluated based on the information requested through the pre-qualification solicitation. While no definitive contract will be awarded as a result of the pre-qualification process, contractors will be notified if they are selected to be part of the pre-qualified vendor pool.

When goods or services are required, individual procurements can be competed among the pre-qualified vendor pool so long as the competed requirement falls within the scope of goods/services covered by the pre-qualification. At this time, contractors will submit price bids pursuant to the applicable procurement procedures contained in this document. Using that process, EIERA will make an award determination to the successful pre-qualified bidder for a given requirement.

Sealed Bidding

The following section outlines the required process for, documentation requirements of and post award requirements of the Sealed Bidding Process:

Criteria for Selection of Procurement Method: Sealed Bidding will be utilized when the procurement value exceeds \$250,000 and cost will be the only factor in offeror selection. Sealed Bidding will also be utilized for construction contracts, purchases of equipment widely available in the commercial marketplace and procurement of supplies in bulk.

Procurement Method Documentation Requirements. If the procurement does meet the above criteria, EI ERA will document the following information:

- Independent Cost Estimate (generally conducted by the architecture and engineering firm performing design services);
- Invitation for Bid Package including design specifications, approved drawings and all contracting requirements;
- Recent applicable Wage Determination and all Davis Bacon and Related Acts Requirements (to be updated via addendum ten days prior to bid opening if any changes occurred to the wage determination);
 - Copeland “Anti-Kickback” Act
 - Contract Work Hours and Safety Standards Act
- Non-Collusive Bidder Certification;
- All required contract provisions;
- Instructions for public bid opening including date, time and location of bid opening (Bids must be sent in sealed envelopes, or if sent electronically, sealed in a secure platform until the date and time of bid opening); and,
- Instructions for pre-bid meeting.

Evaluation Criteria. The award must be made to the lowest responsible and responsive bidder. Bids will be publicly opened and recorded. Bids that are not submitted with all required documentation may be deemed non-responsive in which case the award goes to the next lowest responsible and responsive bidder.

Post-Award Documentation Requirements: EI ERA will ensure the following information is adequately documented and included in the contract file:

- Bids Received;
- Bid Tabulation;
- Cost Reasonableness Determination/Award Recommendation;
- Required bonds (bid, performance, payment);

- Any required certificates of insurance; and,
- Documentation of Advertisement of Bid.

(Non-Competitive) Sole Source Contract

The following section outlines the required criteria for selection of, the documentation requirements associated with, and actions in response to the EPA's denial of a Sole Source Contract procurement.

Criteria for Selection of Procurement Method. EIERA will use the following criteria to determine if a sole source is a viable method of solicitation:

- The item is only available from a single source;
- A public exigency or emergency for the requirement will not permit delays resulting from competitive solicitation (in such cases, limited competitions, such as direct solicitations to multiple vendors, are preferable to sole source awards if time permits); and,
- The federal awarding agency, pass-through entity, or funder expressly authorizes noncompetitive proposals in response to a written request from EIERA.

The federal awarding agency, pass-through entity, or funder expressly authorizes noncompetitive proposals in response to a written request from EIERA. If it does meet the above criteria, EIERA will complete a Sole Source Justification Form. The sole source justification will include reasons in detail explaining why the contractor has been selected without following the procurement procedures in this document, referencing the appropriate criteria listed above. Lack of planning and administrative inconvenience is never an adequate justification for sole source procurement. EIERA will review the completed Sole Source Justification Form for compliance and appropriateness of the request.

Reconsideration of Procurement Method as a Result of Federal Agency Denial. If the sole source justification is denied, EIERA will determine the appropriate procurement method to follow. If the sole source justification is approved, EIERA will forward the sole source justification to EIERA's legal counsel for review. Sole source justifications should only be approved in the rarest of circumstances.

VIII. PROGRAM INCOME

Program Income Policy & Procedures

June 2025

Version 1

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Section 1.0 Overview and Purpose

The objective of this policy and these procedures is to manage program income (PI) within the Missouri Environmental Improvement and Energy Resources Authority (“EIERA”). PI refers to the revenue generated directly or indirectly through activities supported by the organization’s federally funded projects. EIERA generates PI from loan interest, loan repayments, and related areas. All individuals acting on behalf of EIERA in authorizing, managing, and administering the federal award must ensure adherence to the applicable PI guidelines within this policy and these procedures.

Additionally, as a recipient of federal funding, EIERA is required to follow these policies and procedures to remain compliant with 2 CFR Part 200 Subpart D, and Subpart E provisions on PI. The provisions contained within this document should be interpreted at all times in a manner that is consistent with 2 CFR Part 200 Subpart D, and Subpart E. This policy and these procedures apply to the proper management and utilization of PI to support and enhance EIERA’s income streams, investment management costs, and accountability measures under any award or subaward which is funded by a federal award.

This document is inclusive of general federal award requirements where applicable. EIERA should refer to the federal award agreement and terms and conditions for specifics regarding the Federal Awarding Agency and Programmatic requirements.

This document applies to all EIERA employees, Board members, and activities of EIERA, as relevant. Guidance for PI is intended to ensure compliance with federal regulations and sponsored award terms and conditions.

Section 2.0 Definitions and Acronyms

- 1) **“Accounting CS”** is the accounting and financial system, software and processes used to manage income, expenses, and assets in EIERA and used to book journal entries.
- 2) **“Additive Method”** is the method where PI funds are added to the sponsored award commitment and use to further project or program objectives. Federal sponsors commonly use this method.
- 3) **“CFR”** means Code of Federal Regulations and is a codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government.
- 4) **“EIERA”** means Missouri Environmental Improvement and Energy Resources Authority. EIERA is the subrecipient for the purposes of this policy and procedure document.
- 5) **“FAR”** means the Federal Acquisition Regulations.
- 6) **“Program Income (PI)”** is the revenue generated directly or indirectly through activities supported by EIERA’s federally funded projects. Typical PI generated will come from loan interest, loan repayments, and related areas.

Section 3.0 Responsibilities

- 1) **Accountant** – reviews and determines the PI reporting requirements, reconciles PI account for award closeout, and validates all PI reporting requirements are met according to the EIERA award terms and conditions.
- 2) **Fiscal Manager** – reviews and approves the request for the use of PI. Updates the budget line item for PI within the Accounting CS system. Follows established guidelines and procedures on the identification, use, and reporting of PI according to the EIERA award terms and conditions.
- 3) **Subrecipient** – a non-federal entity that receives a subaward from an entity to carry out part of a federal program.
- 4) **Federal Awarding Agency** – maintains oversight of EIERA’s award and verifies compliance with all federal requirements and regulations.
- 5) **Project Manager** – identifies potential sources of PI, and actual sources of PI and requests that a PI cost code be created for recording the budget line item in the Accounting CS system.

Section 4.0 Policy

EIERA established these guidelines for generating, utilizing, and reporting on PI in the event the organization generates PI.

EIERA uses the requirements established in the Uniform Administrative Requirements, Cost Principles, and as relevant, Audit Requirements for federal awards related to PI. (2 CFR 200.307 Program Income; 2 CFR 200.442 Fund raising and investment management costs with additional details fund-specific guidance; and 2 CFR 1500.8 Program Income) as the basis of its PI policies, methods, and procedures. For the purposes of these policies and procedures, EIERA has incorporated elements of the Federal Awarding Agency Guidance on Selected Items of Cost for [Recipients](#) where relevant.

This section introduces key PI policies and guidelines that EIERA has adopted to guide its PI identification and reporting, application, use, compliance, and oversight practices and procedures.

4.1. General Program Income Policies

In accordance with 2 CFR 200.307 and consistent with Federal Awarding Agency-specific rules on PI outlined in 2 CFR 1500.8 and on the coverage of allowable fundraising costs outlined in 2 CFR 200.442, EIERA is committed to utilizing PI in a manner that maximizes the impact and scope of federal grant activities by using the additive method. 2 CFR 200.307 states when utilizing the additive method, prior approval from the Federal Awarding Agency is required. It is EIERA’s policy to request prior approval from the Federal Awarding Agency to utilize the additive method for PI.

Example of Program Income Use Method: Additive Method		
Funding Type	Value	Action
Requested Budget	\$150,000	N/A

Estimated Program Income (EPI)	\$15,000	Add to Award Amount
Award Amount (AA)	\$150,000	
Total Available for Project Expenses	\$165,000	EPI + AA = Total Available for Project Expenses

Consistent with 2 CFR 200.1, PI means gross income earned by EIERA (Recipient) or its Subrecipients that are directly generated by a supported activity or earned because of the federal award. PI includes but is not limited to loan and other origination fees, interest payments, principal repayments, dividends from equity investments, interest from short-term securities (e.g., cash deposits), asset sales, other sources of PI and fundraising costs for the purposes of meeting the federal program objectives with prior written approval from the Federal Awarding Agency.

This PI policy adheres to Federal Awarding Agency-specific rules on PI provided at 2 CFR 1500.8 and on the coverage of allowable fundraising costs provided under 2 CFR 200.442. These rules apply to EIERA and other Subrecipients, which are provided awards or subawards to conduct a portion of the grant's activities. Further guidance will be detailed in the terms and conditions of the grant agreement.

EIERA maintains the following general policies related to PI:

- 1) **Sources of Program Income.** PI will be generated from loan interest, loan repayments, loan-related funds, and related areas. This includes income from fees from services performed, the use or rental of property acquired under the project, and the sale of commodities or items fabricated under the award or subaward.
- 2) **Documentation.** All sources of PI must be documented accurately and reported in accordance with 2 CFR 200.307. This includes maintaining detailed records of the amount, source, and use of PI.
- 3) **Accurate Records.** EIERA and Subrecipients will maintain detailed records of all PI, including the amount, source, date of receipt, and use of PI.
- 4) **Segregation of Funds.** EIERA and Subrecipients will ensure that PI is accounted for separately from other funds to maintain clarity and accuracy in financial records.
- 5) **Regular Updates.** EIERA and Subrecipients will update financial records regularly to reflect the receipt and use of PI, ensuring accuracy and transparency.

4.2. Policies on the Application of Program Income

EIERA maintains the following policies related to the additive method of PI calculation and budget increases.

- 1) **Additive Method.** Per 2 CFR 200.307(e)(2), PI will be added to the funds committed to the project by the Federal Awarding Agency and used to fund additional eligible project activities or Federal Grant Program objectives.
- 2) **Budget Increase.** Use of PI will be deferred until an original federal award is fully spent. The total project budget will be increased by the amount of PI generated. This additional income can be used to expand the scope of work, enhance eligible program activities, or cover additional costs

related to any funded project. EIERA will confer with the Federal Awarding Agency before expending PI not covered under its existing award.

4.3. Policies on the Use of Program Income

EIERA maintains the following policies related to the use of PI both for eligible costs and after a federally funded program's period of performance.

- 1) **Use.** PI cannot be used until the federal award is expended except as provided for in the grant agreement, including the terms and conditions.
- 2) **Eligible Costs.** PI must be used for costs that are consistent with the purpose and objective of the grant award and that are allowable, reasonable, and allocable under 2 CFR 200, Subpart E and 2 CFR 1500.8, as well as those specified under 2 CFR 200.442.

In accordance with 2 CFR 200.307(e)(2), when using the additive method, the PI must be used to advance the purpose of a federal award. PI will be added to funds committed to the program by the Federal Awarding Agency and used to advance the purpose of the assistance agreement based on compliance requirements included in the closeout agreements. Until such a closeout agreement is effective, the EIERA and Subrecipients are authorized to use PI under the conditions of the federal award, pending execution of the closeout agreement.

In accordance with the Clean Air Act, Section 134(b)(1)(c) as well as 2 CFR 200.307(e)(2) and 2 CFR 1500.8(b), which "flow down" to EIERA's Subrecipients as provided in 2 CFR 200.332, the Federal Awarding Agency General Terms and Conditions, Federal Grant Program awardees will be required to retain PI earned during the period of performance.

- 3) **Income after the Period of Performance.** In accordance with 2 CFR 200.307(f) and 2 CFR 1500.8(d), as supplemented by the terms and conditions of the grant award, EIERA will only be authorized to use PI once the grant award is fully drawn down to continue to operate the revolving loan fund or some other authorized purpose as outlined in the closeout agreement, at which point the Federal Awarding Agency will enter into a closeout agreement with EIERA.

There are no federal requirements governing the disposition of income earned after the end of the period of performance for a federal award unless the Federal Awarding Agency regulations or the terms and conditions of the federal award provide otherwise. The Federal Awarding Agency, in accordance with 2 CFR 200.334(e), require EIERA to maintain appropriate records to document compliance with the requirements of the Closeout Agreement (i.e., records relating to the use of retained and post-closeout PI) for a three-year period following the end of the Closeout Agreement unless one of the conditions specified in the regulation applies.

The Federal Awarding Agency may obtain access to these records to verify that PI has been used in accordance with the terms and conditions of this Closeout Agreement. Records and documents relating solely to performing the grant agreement prior to closeout may be disposed of in accordance with 2 CFR 200.334. Additionally, EIERA maintains adequate accounting records for how PI is managed and spent as well as all other appropriate records and documents related to the activities conducted using retained and post-closeout PI.

To have proper oversight over the use of PI, EIERA must maintain documentation that includes the following:

- EIERA approval;
- Description of the income-generating activities;
- Direct and indirect cost rates;
- Method used to calculate the rates;
- Billing records identifying the budget numbers, amounts charged or invoiced;
- Income generated; and,
- Any changes in rates (if applicable).

EIERA agrees to ensure that Subrecipients comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. Pass-through entities may use the terms of their subaward agreement or other effective means to meet their responsibilities.

4.4. Policies for Compliance and Oversight of Program Income

EIERA is committed to maintaining rigorous oversight of PI uses and reporting to ensure its administration of federally funded programs is compliant with all requirements promulgated by the Federal Awarding Agency and the Uniform Administrative Guidance. The following policies on monitoring, internal controls, and reporting will serve as EIERA's foundation for compliance and oversight of PI.

- 1) **Monitoring.** Per 2 CFR 200.307(e)(2), program income will be added to the funds committed to the project by the the Federal Awarding Agency and used to further eligible project activities or Federal Grant Program objectives.
- 2) **Internal Controls.** EIERA will implement internal controls to safeguard PI and ensure it is used in compliance with the PI policies and procedures, including through regular audits and reviews by EIERA staff.
- 3) **Reporting.** EIERA will report on the amount of PI earned during the period of performance through the quarterly Federal Financial Report and Final Financial Report, Standard Form 425 (SF-425). The Fiscal Manager will prepare the SF-425, which must be signed by the Executive Director.

This financial report will include:

- PI sources;
- PI amounts;
- Use of PI, when applicable; and
- Budget reconciliation (i.e., comparison of the original project budget with the augmented budget including PI, highlighting how the additional funds have expanded the project scope when used).

The Federal Awarding Agency may establish programmatic requirements in a closeout agreement to implement PI requirements. EIERA commits to evaluating, adopting, and incorporating such guidance upon receipt.

Section 5.0 Procedures

As a recipient of a federal grant, EIERA must follow established guidelines and procedures on the identification, use, and reporting of PI. The following sections provide a procedural overview of how to identify PI, using it in a way that complies with all Federal Awarding Agencies and federal requirements, and appropriate reporting of PI.

5.1. Generating Program Income

- 1) The Project Manager identifies the potential or actual sources of PI.
- 2) The Project Manager identifies the activity that is generating PI and establishes an account and a unique identifier for each project to track PI.
- 3) The Fiscal Manager discusses the PI with the Project Manager and determines the PI reporting requirement based on the EIERA agreement.
- 4) The Fiscal Manager confirms the additional funds will be used to cover allowable expenses and will be used to further eligible project or program objectives.
- 5) The Fiscal Manager reviews the potential PI and determines how it should be included in the proposed budget and the award funds available.
- 6) If the use of funds is not approved, the Fiscal Manager discusses the potential or actual sources of PI with the Administrator.
- 7) If the use of funds is approved, the Fiscal Manager sends the request to the Executive Director for review.
- 8) The Executive Director reviews the PI reporting documentation and confirms the use of PI.

5.2. Depositing Program Income

When PI is received, the Fiscal Manager deposits the income directly into the PI account or in accordance with EIERA's standard for deposits. Some items for consideration when recording PI: (1) budgeted expenses to be paid from PI should be processed directly on the PI unique identifier code; and (2) expenditures charged against the PI account balance must be clearly defined with corresponding supporting documentation.

F&A (indirect) costs will be charged for all expenses related to PI at the same rate as the main award.

5.3. EIERA Reporting of Program Income

These steps ensure the use of appropriate PI codes for invoices and payments, reconciliation of invoices and maintenance of records, verification of PI earned, and compliant reporting of PI as required by the Federal Awarding Agency.

The following procedures will be followed by EIERA when reporting program income:

- 1) The Fiscal Manager prepares payments and gathers supporting documentation from the PI account. The Fiscal Manager reconciles PI to invoices/supporting documentation included in the project file. The Fiscal Manager is responsible for maintaining and providing EIERA with all PI records and receipts.
- 2) The Fiscal Manager documents the project expenses and reconciles them with project expenses allowable under the federal award according to the 2 CFR 200 Subpart D and Subpart E provisions on PI; 2 CFR 1500.8; and 2 CFR 200.442 Fund raising and investment management costs with additional details in Item 4 of the [EPA Guidance on Selected Items of Cost for Recipients](#) or other award provisions as applicable.
- 3) The Fiscal Manager verifies the total PI earned, and the amount expended to be included in financial reports.
- 4) The Fiscal Manager completes the PI reporting documentation.

5.5. Subrecipient Reporting of Program Income

The following procedures will be followed by the Subrecipient when reporting program income:

- 1) The Subrecipient prepares payments and gathers supporting documentation from the PI account. The Subrecipient reconciles PI to invoices/supporting documentation included in the project file. The Subrecipient is responsible for maintaining and providing EIERA with all PI records and receipts.
- 2) The Subrecipient documents the project expenses and reconciles them with project expenses allowable under the federal award according to the 2 CFR 200 Subpart D and Subpart E provisions on PI; 2 CFR 1500.8; and 2 CFR 200.442 Fund raising and investment management costs with additional details in Item 4 of the [EPA Guidance on Selected Items of Cost for Recipients](#) or other award provisions as applicable.
- 3) The Subrecipient verifies the total PI earned, and the amount expended to be included in financial reports.
- 4) The Subrecipient completes the PI reporting documentation as provided by EIERA and submits it for EIERA's review.

5.6. Federal Reporting of Program Income

All PI receipts, expenditures, and supporting documentation for PI funded projects or activities must be reported by EIERA during or shortly after the period of performance, subject to negotiations with the Federal Awarding Agency.

- 1) The Fiscal Manager submits PI reporting documents and supporting documentation to the Accountant.
- 2) The Executive Director reviews the PI reporting supporting documentation including the total PI earned and the amount expended.
- 3) If the PI reporting documentation is not approved, the Executive Director sends it back to the Fiscal Manager for revisions.

- 4) The Executive Director reviews the report of earned PI as required by EIERA to report to the Federal Awarding Agency (e.g., required program income inputs in the Federal Financial Report).
- 5) If the PI reporting documentation is not approved, the Executive Director sends it back to the Fiscal Manager for revisions.
- 6) The Executive Director reviews the standards set forth in the EIERA agreement terms and conditions to either approve or disallow the PI reporting documentation.
- 7) If the PI reporting documentation and use of funds are not approved, the Executive Director provides feedback and sends it to the Fiscal Manager for revisions.
- 8) If the reporting documentation and use of funds are approved, the Executive Director provides approval. This documentation is used to update the interim and final federal financial report on PI, including SF-425.
- 9) The Fiscal Manager reports PI on the interim and final Federal Financial Report (SF-425), as required.

ATTACHMENT B

STATE ENVIRONMENTAL IMPROVEMENT & ENERGY RESOURCES AUTHORITY

CONFLICTS OF INTEREST STATEMENT

The State Environmental Improvement & Energy Resources Authority (“EIERA”) is committed to achieving the highest standards of professionalism and ethical conduct in its operations and activities and, in turn, it expects its directors, officers, and employees to conduct their business according to the highest ethical standards of conduct and to comply with all applicable laws. EIERA maintains conflicts of interest policies that can be found in its Policies and Procedures Manual. These policies are intended to increase awareness of potential conflicts of interest, ensure EIERA’s compliance with 2 CFR § 200.318 and other applicable laws, and establish procedures for reporting actual and potential conflicts of interest. In addition, EIERA’s policies require that all directors, officers, and employees sign this Conflicts of Interest Statement and commit to implementing and abiding by policies and procedures that ensure fairness in procurement and protect EIERA’s interests and reputation from perceived conflicts of interest that might benefit any of its directors, officers, employees, agents, consultants, and/or vendors.

I. Conflicts of Interest.

Employees, officers, and directors should always act in the best interest of EIERA and not permit outside interests to interfere with, or create the appearance of interfering with, their job duties. EIERA prohibits all employees, officers and directors from using their position with EIERA or EIERA’s relationship with its clients, customers, vendors, suppliers, and/or contractors for private gain or to obtain benefits for themselves or members of their family.

For purposes of this statement, a conflict of interest arises when one’s outside interests (for example, financial or personal interests) interfere with EIERA’s interests or one’s work-related duties. For example, a conflict of interest can occur when an employee is able to influence a decision that may result in a personal gain for the employee or the employee’s family member as a result of EIERA’s business dealings.

If you have a question about whether a situation may give rise to a conflict of interest, please contact Executive Director or General Counsel.

II. Favors and Gifts.

Both Missouri law and EIERA prohibit EIERA personnel from seeking or accepting gifts, favors, entertainment, payment, or loans for themselves or their family members from any client, customer, vendor, supplier, contractor, or other party doing business with EIERA.

EIERA also prohibits personnel from giving any gifts or favors from themselves or their family members to any client, customer, vendor, supplier, contractor, or other party doing business with EIERA.

If EIERA personnel violate this policy, EIERA will take prompt corrective action, including discipline, as appropriate.

III. Reporting Procedure.

If you become aware of any actual or potential conflict of interest or other ethical concern regarding EIERA, you have a duty to disclose the existence and nature of the suspected conflict or ethical concern to Executive Director or General Counsel and to the Board.

EIERA will promptly and thoroughly investigate all concerns regarding conflicts of interest. In consultation with appropriate EIERA officials, you may be expected to take appropriate actions to mitigate such conflicts (including recusal where appropriate) pending a determination of a formal mitigation strategy by the EIERA Board.

Violations of EIERA's Conflicts of Interest Statement and associated policies will result in disciplinary action that may include, but is not limited to, termination of employment or contractual relationships in addition to any other remedy available at law.

IV. No Retaliation.

EIERA prohibits any form of discipline, reprisal, intimidation, or retaliation for reporting a conflict of interest, potential conflict of interest, or violation of its conflicts of interest policies, or for cooperating in related investigations.

V. Administration of This Policy.

The Executive Director is responsible for the administration of EIERA's conflicts of interest policies. If you have any questions regarding this Statement, or if you have questions about conflicts of interest that are not addressed here, please review the applicable sections of the Policies and Procedures Manual or contact the Executive Director the EIERA Board.

Acknowledgment of Receipt and Review

I, _____ (employee/director/officer name), acknowledge that on _____ (date), I received a copy of EIERA's Conflicts of Interest Statement and that I read it, understood it, and agree to comply with it and the conflicts of interest policies in the Policies and Procedures Manual.

Signature

Printed Name

Date